

SHORE REGIONAL HIGH SCHOOL DISTRICT  
COUNTY OF MONMOUTH, NEW JERSEY

FISCAL YEAR ENDED JUNE 30, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## INTRODUCTORY SECTION



# Shore Regional High School District

MONMOUTH BEACH - OCEANPORT - SEA BRIGHT - WEST LONG BRANCH

132 MONMOUTH PARK HIGHWAY  
WEST LONG BRANCH, NEW JERSEY 07764  
Telephone: 732-222-9300  
Fax: 732-222-8849

November 30, 2012

Honorable President and  
Members of the Board of Education  
Shore Regional High School District  
County of Monmouth, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Shore Regional High School District ("District") for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Shore Regional High Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

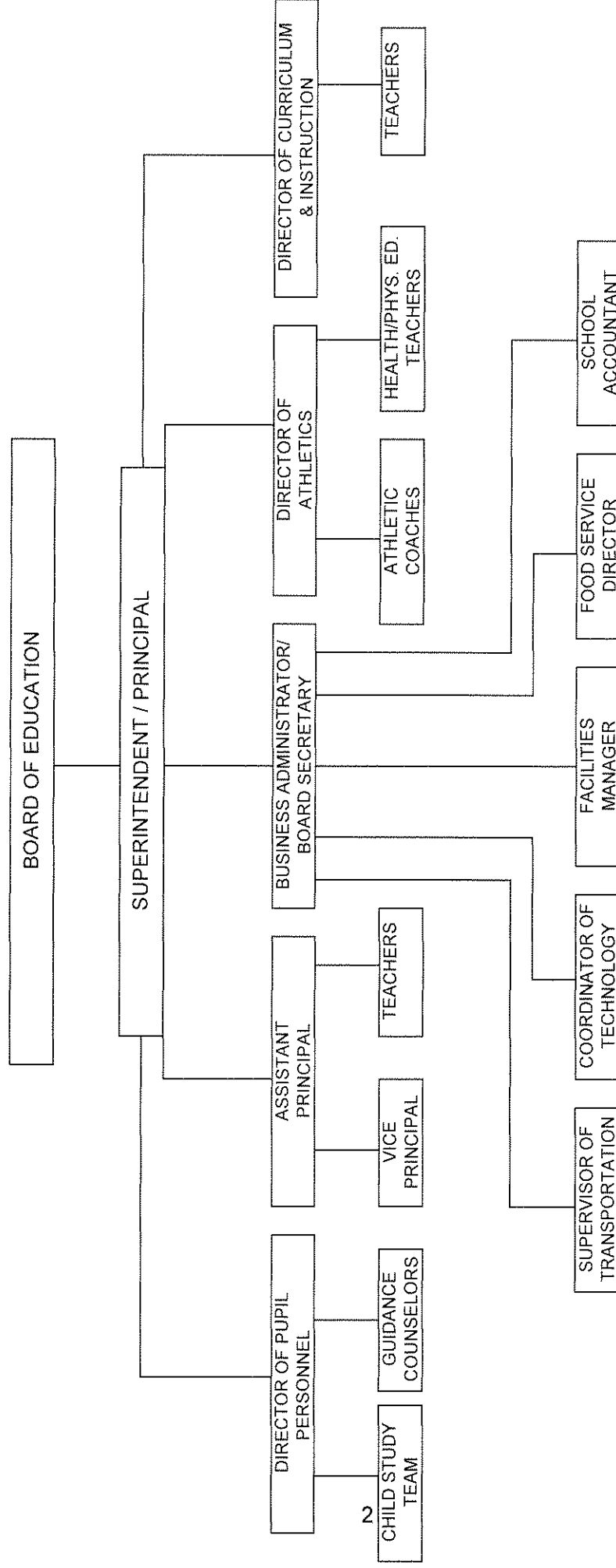
Respectfully submitted,

  
Renae LaPrete  
Interim Superintendent of Schools

  
Dennis W. Kotch  
School Business Administrator



# SHORE REGIONAL HIGH SCHOOL DISTRICT ORGANIZATIONAL CHART



SHORE REGIONAL BOARD OF EDUCATION  
WEST LONG BRANCH, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ronald O'Neill, President	2014
Nancy DeScenza, Vice President	2012
David Baker	2013
Elizabeth Garrigal	2012
Mary Lynn Mango	2012
Diane E. Merla	2013
Anthony F. Moro, Jr.	2012
Frank J. Pingitore	2013
Paul Rolleri	2012
Tadeusz "Ted" Szczurek	2014

Other Officials

Renae LaPrete, Interim Superintendent/Principal

Dennis W. Kotch, CPA, Board Secretary/Business Administrator/Treasurer

Alexis Tucci, Esq., Solicitor

SHORE REGIONAL BOARD OF EDUCATION  
WEST LONG BRANCH, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2012

Accountant/Auditor

Robert W. Allison, CPA, RMA  
Hutchins, Farrell, Meyer & Allison, P.A.  
912 Highway 33, Suite 2  
Freehold, NJ 07728

Attorney

Alexis Tucci, Esq.  
Attorney at Law  
464 Broadway  
Long Branch, NJ 07740

Dennis Collins, Esq.  
Attorney at Law  
1451 Route 34 South, Suite 303  
Farmingdale, NJ 07727

Official Depositories

MBIA Municipal Investors Service Corporation  
113 King Street  
Armok, NY 10504

TD Bank, NA  
101 Parker Road  
West Long Branch, NJ 07764

Investors Savings Bank  
2426 Highway 34 North  
Manasquan, NJ 08736

## FINANCIAL SECTION

# Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA, CFF  
Eugene M. Farrell, CPA, RMA, CFP  
Robert W. Allison, CPA, RMA  
Alan E. Meyer, CPA/ABV, CFF  
Joann DiLieto, CPA

Patrice R. Antonucci, CPA  
Glenn G. VanPell, CPA  
Karen D. Davis, CPA, CVA  
Crystal L. Fitzpatrick, CPA  
Hélène T. Morizzo, CPA

## Monmouth County Office

912 Highway 33 • Suite 2  
Freehold, NJ 07728  
(732) 409-0800  
Fax: (732) 866-9312

## Ocean County Office

512 Main Street • PO Box 1778  
Toms River, NJ 08754  
(732) 240-5600  
Fax: (732) 505-8358

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Shore Regional High School District  
County of Monmouth

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Shore Regional High School District, in the County of Monmouth, State of New Jersey as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Shore Regional High School Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Shore Regional High School Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

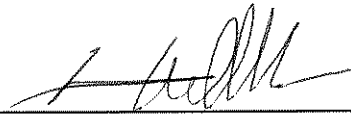
In accordance with Government Auditing Standards, we have also issued our report dated August 21, 2012 on our consideration of the Shore Regional High School Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 8 through 17 and 55 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted to inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Shore Regional High School Board of Education's financial statements as a whole. The Introductory Section, Combining and Individual Fund Financial Statements, and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, respectively, and are also not a required part of the financial statements. The Combining and Individual Fund Financial Statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected

Honorable President and Members  
of the Board of Education  
Shore Regional High School District  
County of Monmouth  
Page 3

to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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Robert W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

August 21, 2012

## REQUIRED SUPPLEMENTARY INFORMATION – PART I



SHORE REGIONAL HIGH SCHOOL DISTRICT  
MONMOUTH COUNTY, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED

The discussion and analysis of Shore Regional High School District's ("School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Key financial highlights for 2012 are as follows:

- ◆ General revenues accounted for \$18,070,313.31 in revenue or 97.90 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$388,116.75 or 2.10 percent of total revenues of \$18,458,430.06.
- ◆ Total net assets of governmental activities increased by \$1,759,527.93.
- ◆ The School District had \$16,729,455.08 in expenses; only \$388,116.75 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$18,070,313.31 were adequate to provide for these programs.
- ◆ The General Fund had \$16,133,236.23 in revenues and \$15,639,140.57 in expenditures and other financing uses. The General Fund's balance increased \$884,095.66 over 2012. This increase was anticipated by the Board of Education.

## **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Shore Regional High School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Shore Regional High School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District's major (all) funds is included in the 2011-12 Comprehensive Annual Financial Report as presented by the School District. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### **Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary comparison of the School District's net assets for 2011 and 2012.

Table 1

### Net Assets as of June 30, 2011 and 2012

	<u>2012</u>	<u>2011</u>
Assets:		
Cash and Cash Equivalents	\$ 2,128,467.90	\$ 268,195.16
Receivables, Net	520,030.82	671,007.42
Inventory	3,896.00	2,849.95
Capital Assets, Net	<u>16,738,335.77</u>	<u>17,379,232.81</u>
Total Assets	<u>\$ 19,390,730.49</u>	<u>\$ 18,321,285.34</u>
Liabilities:		
Accounts Payable	\$ 262,293.45	\$ 436,514.63
Interfund Payable	90,000.00	100,000.00
Payable To State Government	9,665.80	45.27
Cash Deficit		16,085.40
Accrued Expenses	130,936.49	134,966.60
Deferred Revenue	51,720.08	124,451.44
Noncurrent Liabilities:		
Due Within One Year	836,345.47	775,033.31
Due Beyond One Year	<u>13,129,122.39</u>	<u>13,582,516.86</u>
Total Liabilities	<u>\$ 14,510,083.68</u>	<u>\$ 15,169,613.51</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 2,960,902.32	\$ 3,255,676.63
Restricted for:		
Capital Projects	1,006,720.95	511,465.06
General Fund	679,337.77	250,928.30
Debt Service Fund	109,194.75	
Unrestricted	<u>124,491.02</u>	<u>(866,398.16)</u>
Total Net Assets	<u>\$ 4,880,646.81</u>	<u>\$ 3,151,671.83</u>

Table 2

## Changes in Net Assets

	<u>2012</u>	<u>2011</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 377,548.35	\$ 626,367.09
Operating Grants and Contributions	10,568.40	
General Revenues:		
Property Taxes	15,754,172.00	14,104,171.00
Grants and Entitlements	2,263,233.41	1,397,822.85
Other	<u>52,907.90</u>	<u>36,219.97</u>
Total Revenues	<u>\$ 18,458,430.06</u>	<u>\$ 16,164,580.91</u>
<u>Program Expenses</u>		
Instruction	\$ 7,689,360.98	\$ 7,251,263.68
Support Services:		
Pupils and Instructional Staff	4,003,756.49	3,649,048.18
General Administration, School		
Administration, Business	1,334,953.70	1,360,310.08
Operations and Maintenance		
of Facilities	1,498,830.63	1,361,543.15
Pupil Transportation	1,574,030.33	1,773,977.67
Interest on Long-Term Debt	426,082.39	443,732.09
Food Service	<u>202,440.56</u>	<u>234,889.69</u>
Total Expenses	<u>16,729,455.08</u>	<u>16,074,764.54</u>
Increase in Net Assets	<u>\$ 1,728,974.98</u>	<u>\$ 89,816.37</u>

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 85.35 percent of revenues for governmental activities for the Shore Regional High School District for fiscal year 2012. The School District's total governmental revenues were \$18,296,542.45 for the fiscal year ended June 30, 2012. Federal, state and local grants accounted for another 12.26 percent.

The total cost of all program and services was \$16,527,014.52. Instruction comprises 45.96 percent of School District expenses.

**Business-Type Activities**

Revenues for the School District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ◆ Food service expenses exceeded revenues by \$40,552.95.
- ◆ Charges for services represent \$161,887.61 of revenue. This represents the amount paid by patrons for daily food services.

## Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

### Governmental Activities

	2012		2011	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 7,689,360.98	\$ 7,631,138.76	\$ 7,251,263.68	\$ 7,231,263.68
Support Services:				
Pupils and Instructional Staff	4,003,756.49	4,003,756.49	3,649,048.18	3,649,048.18
General Administration, School Administration, Business	1,334,953.70	1,334,953.70	1,360,310.08	1,360,310.08
Operation and Maintenance of Facilities	1,498,830.63	1,498,830.63	1,361,543.15	1,361,543.15
Pupil Transportation	1,574,030.33	1,406,023.41	1,773,977.67	1,384,732.20
Interest on Long-Term Debt	<u>426,082.39</u>	<u>426,082.39</u>	<u>443,732.09</u>	<u>443,732.09</u>
Total Expenses	<u>\$ 16,527,014.52</u>	<u>\$ 16,300,785.38</u>	<u>\$ 15,839,874.85</u>	<u>\$ 15,430,629.38</u>

Instruction expenses: include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. This excludes media center, guidance and out-of-district placement expenses. Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Pupils and instructional staff: include the activities involved with assisting staff with the content and process of teaching to students, including curriculum, staff development, guidance, media center, and out-of-district placements. Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

General administration, school administration and business: include expenses associated with administrative and financial supervision of the School District.

Operation and maintenance of facilities activities: involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation: includes activities involved with the conveyance of students to and from school, school activities, county vocational schools, and out-of-district placements, as provided by state law.

## The School District's Funds

Information about the School District's major funds is included in the 2011-12 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects and Debt Service Fund presented in the fund-based statements) had total revenues and transfers of \$18,680,626.57 and expenditures and transfers of \$16,683,660.59.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2012, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2010/11</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 16,006,574.30	87.56%	\$1,460,651.68	9.13%
State Sources	2,199,995.77	12.04	1,007,670.86	45.80
Federal Sources	<u>73,806.04</u>	<u>.40</u>	<u>(131,691.90)</u>	<u>(178.43)</u>
Total	<u>\$ 18,280,376.11</u>	<u>100.00%</u>	<u>\$2,336,630.64</u>	<u>12.78%</u>

The increase in Local Sources is attributed to an increase in the local share of debt service funds due to the completion of our referendum project.

The increase in State Sources is due to an increase in State Aid as well as an increase in debt service aid due to the completion of our referendum project.

The decrease in Federal Sources is due to a loss of grant funds as a result of not having enough students eligible for free and reduced lunch to meet the minimum threshold.

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2012.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2010/11</u>	<u>Percent of Increase/ (Decrease)</u>
Current:				
Instruction	\$ 5,008,818.06	31.88%	\$ 25,363.02	0.51%
Undistributed Expenditures	10,072,224.42	64.10	15,933.03	0.16
Capital Outlay	<u>632,635.97</u>	<u>4.02</u>	<u>294,035.19</u>	<u>46.48</u>
Total	<u>\$ 15,713,678.45</u>	<u>100.00%</u>	<u>\$ 335,331.24</u>	<u>2.13%</u>

The increase in Current - Instruction is attributed to a slight increase in salaries per contract.

The increase in Current - Undistributed Expenditures is attributed to the need to expend more funds to improve our grounds.

The increase in Capital Outlay is attributed to the need for more equipment to rehabilitate pur grounds and athletic field and for technology equipment to improve our infrastructure.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2012, the School District amended its General Fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student transportation both in regular education, special education, and vocational education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.

While the School District's final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$71,334.59 decrease in surplus funds for a total unrestricted free balance (GAAP) of \$507,126.40 at June 30, 2012.

### **Capital Assets**

At the end of the fiscal year 2012, the School District had \$16,700,103.31 invested in land, buildings and improvements, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Land	\$ 485,000.00	\$ 485,000.00
Construction in Progress		13,762,726.82
Site Improvements	440,284.74	280,405.16
Building and Improvements	4,517,555.04	2,017,943.17
Machinery and Equipment	<u>11,257,263.53</u>	<u>787,578.63</u>
Total	<u>\$ 16,700,103.31</u>	<u>\$ 17,333,653.78</u>



## **Debt Administration**

At June 30, 2012, the School District had \$13,965,467.86 as outstanding debt. Of this amount, \$188,034.41 is for compensated absences, \$802,433.45 for capital leases, and \$12,975,000.00 for bonds payable.

At June 30, 2012, the School District's overall legal debt margin was \$153,825,600.00

## **For the Future**

The Shore Regional High School District is a highly-competitive 9-12 high school. The School District is financially sound, has a stable population and possesses a quality organizational structure. The School District has been ranked within the top 100 schools in New Jersey.

The present enrollment is approximately 690 students and studies project the enrollment to be 675 students. The goal is to maintain high-quality instruction by hiring the most qualified personnel to meet the students needs of the year 2012.

Historically, the taxpayers have approved the School District's budget, but in the recent years, the voters have rejected the budget 5 out of the last 10 years. During this time, poor economic conditions resulted in state aid being frozen and the federal government revising guidelines for aid to schools. The taxpayers had to bear a greater burden of school finances. Legislators are revising the regulations for school funding, budgeting procedures and implementation during the school year. The School District's future finances are at best unstable and must balance educational needs verses taxpayer burden.

Shore Regional is composed of 4 municipalities whose share of supporting the regional school is controlled by a percent share calculation. The formula is composed of a yearly calculation of the percent students within their schools and the amount of assessed evaluation. This results in a fluctuation of a district's tax levy in addition to the normal operational increases. For example, a constituent's district tax levy has increased 7 cents. The 7 cents is composed of a 3.4 cents operational increase and a share change increase of 3.6 cents. This has created an atmosphere of people reacting against the impact of the formula, not necessarily reacting against the school operational budget.

The facility is well-maintained for a building that was constructed in 1962. A thorough review of the 40-year-old systems was conducted in October, 2005. After assessing the heat, light, plumbing, and mechanical systems, the School District developed a plan to upgrade the building which was approved at a referendum vote of the taxpayers in September 2008. Construction to replace the heating system, air conditioning system, lights and electrical switchgear began in July 2009 and should be complete by December 2010. This plan will include yearly upgrades and possible long-term financing that may result in additional tax burden. The condition of the building and grounds must be addressed so that the facility can provide the basis for a sound, safe educational environment.

The goal is to provide a high-quality education, in a sound, safe environment, within a backdrop of federal, state and local funding issues. This will enable Shore Regional to maintain its place as one of the best schools in New Jersey.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, please contact Dennis Kotch, CPA, School Business Administrator/Board Secretary at Shore Regional High School District Board of Education, 132 Monmouth Park Highway, West Long Branch, NJ 07764.

## BASIC FINANCIAL STATEMENTS

## DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activities of the District.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF NET ASSETS

June 30, 2012

	Governmental Activities	Business -Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 2,128,146.71	\$ 321.19	\$ 2,128,467.90
Receivables, Net	520,030.82		520,030.82
Inventory		3,896.00	3,896.00
Capital Assets, Net	<u>16,700,103.31</u>	<u>38,232.46</u>	<u>16,738,335.77</u>
Total Assets	<u>19,348,280.84</u>	<u>42,449.65</u>	<u>19,390,730.49</u>
Liabilities:			
Accounts Payable	258,006.05	4,287.40	262,293.45
Interfund Payable		90,000.00	90,000.00
Payable to State Government	9,665.80		9,665.80
Accrued Expenses	130,936.49		130,936.49
Deferred Revenue	51,105.33	614.75	51,720.08
Noncurrent Liabilities:			
Due Within One Year	836,345.47		836,345.47
Due Beyond One Year	<u>13,129,122.39</u>		<u>13,129,122.39</u>
Total Liabilities	<u>14,415,181.53</u>	<u>94,902.15</u>	<u>14,510,083.68</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	2,922,669.86	38,232.46	2,960,902.32
Restricted for:			
Capital Projects	1,006,720.95		1,006,720.95
Debt Service	109,194.75		109,194.75
General Fund	679,337.77		679,337.77
Unrestricted	<u>215,175.98</u>	<u>(90,684.96)</u>	<u>124,491.02</u>
Total Net Assets	<u>\$ 4,933,099.31</u>	<u>\$ (52,452.50)</u>	<u>\$ 4,880,646.81</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

## SHORE REGIONAL SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2012

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES								
Instruction:								
Regular	\$ 5,172,572.35	\$ 729,766.68	\$ 5,902,339.03	\$ 58,222.22		\$ (5,844,116.81)		\$ (5,844,116.81)
Special Education	739,031.68	14,548.69	753,580.37			(753,580.37)		(753,580.37)
Other Special Instruction		10,911.52	10,911.52			(10,911.52)		(10,911.52)
Other Instruction	908,445.64	114,084.42	1,022,530.06			(1,022,530.06)		(1,022,530.06)
Support Services:								
Tuition	1,947,840.03		1,947,840.03			(1,947,840.03)		(1,947,840.03)
Student and Instruction Related Services	2,021,232.43	34,684.03	2,055,916.46			(2,055,916.46)		(2,055,916.46)
School Administrative Services	555,982.08	5,921.02	561,903.10			(561,903.10)		(561,903.10)
General Administration	476,171.35		476,171.35			(476,171.35)		(476,171.35)
Central Services	262,864.12	5,550.82	268,414.94			(268,414.94)		(268,414.94)
Administrative Information Technology	28,464.31		28,464.31			(28,464.31)		(28,464.31)
Plant Operations and Maintenance	1,459,031.67	39,798.96	1,498,830.63			(1,498,830.63)		(1,498,830.63)
Pupil Transportation	1,441,629.88	132,400.45	1,574,030.33	157,438.52	\$ 10,568.40	(1,406,023.41)		(1,406,023.41)
Interest on Long-Term Debt	426,082.39		426,082.39			(426,082.39)		(426,082.39)
Total Government Activities	15,439,347.93	1,087,666.59	16,527,014.52	215,660.74	10,568.40	(16,300,785.38)		(16,300,785.38)
BUSINESS-TYPE ACTIVITIES								
Food Service	202,440.56		202,440.56	161,887.61			\$ (40,552.95)	(40,552.95)
Total Business-Type Activities	202,440.56		202,440.56	161,887.61			(40,552.95)	(40,552.95)
Total Primary Government	\$ 15,641,788.49	\$ 1,087,666.59	\$ 16,729,455.08	\$ 377,548.35	\$ 10,568.40	\$ 0.00	\$ (16,300,785.38)	\$ (16,341,338.33)
GENERAL REVENUES								
Property Taxes Levied for:								
General Purposes						\$ 14,386,255.00		\$ 14,386,255.00
Debt Service						1,367,917.00		1,367,917.00
Federal and State Aid Not Restricted						2,263,233.41		2,263,233.41
Investment Earnings						0.30		0.30
Transfers						(10,000.00)	\$ 10,000.00	
Miscellaneous Income						52,907.60		52,907.60
Total General Revenues						18,060,313.31	10,000.00	18,070,313.31
Change in Net Assets						1,759,527.93	(30,552.95)	1,728,974.98
Net Assets - Beginning						3,173,571.38	(21,899.55)	3,151,671.83
Net Assets - Ending						\$ 4,933,099.31	\$ (52,452.50)	\$ 4,880,646.81

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

## FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## BALANCE SHEET

## GOVERNMENTAL FUNDS

June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 1,678,401.88	\$ 20,878.72	\$ 231,528.77	\$ 197,337.34	\$ 2,128,146.71
Due From Other Funds	90,000.00				90,000.00
Receivables From Other Governments:					
State	289,368.40	572.94			289,941.34
Federal	26,877.00	32,360.99			59,237.99
Other Receivables	72,939.85	9,622.82			82,562.67
<b>Total Assets</b>	<b>2,157,587.13</b>	<b>63,435.47</b>	<b>231,528.77</b>	<b>197,337.34</b>	<b>2,649,888.71</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Cash Deficit					
Accounts Payable	167,199.12	2,664.34		88,142.59	258,006.05
Interfund Payable	1,711.18				1,711.18
Payable To State Government		9,665.80			9,665.80
Deferred Revenue		51,105.33			51,105.33
<b>Total Liabilities</b>	<b>168,910.30</b>	<b>63,435.47</b>		<b>88,142.59</b>	<b>320,488.36</b>
<b>Restricted:</b>					
Legally Restricted - Lease					
Reserved Excess Surplus:					
Designated for Subsequent Year's Expenditures	139,112.62				139,112.62
Reserve for Excess Surplus					
Capital Reserve	775,192.18				775,192.18
Maintenance Reserve					
Emergency reserve					
Tuition reserve					
Debt Service Fund				109,194.75	109,194.75
Capital Projects Fund			231,528.77		231,528.77
<b>Assigned:</b>					
Year-End Encumbrances	391,184.77				391,184.77
Designated by the BOE for					
Subsequent Year's Expenditures	149,040.38				149,040.38
<b>Unassigned:</b>					
General Operating Fund	534,146.88				534,146.88
<b>Total Fund Balances</b>	<b>1,988,676.83</b>		<b>231,528.77</b>	<b>109,194.75</b>	<b>2,329,400.35</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,157,587.13</b>	<b>\$ 63,435.47</b>	<b>\$ 231,528.77</b>	<b>\$ 197,337.34</b>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$25,250,271.91 and the accumulated depreciation is \$8,550,168.60 (See Note 8).

16,700,103.31

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund (see Note 9).

(13,965,467.86)

Accrued interest on long-term liabilities are not reported as liabilities in the Fund.

(130,936.49)

Net Assets of Governmental Activities

\$ 4,933,099.31



## SHORE REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues:</b>					
Local Sources:					
Local Tax Levy	\$ 14,386,255.00			\$ 1,367,917.00	\$ 15,754,172.00
Tuition Charges	58,222.22				58,222.22
Transportation Fees From Other LEAS	157,438.52				157,438.52
Interest Earned on Capital Reserve	0.30				0.30
Miscellaneous	30,081.56	\$ 6,659.70	\$ 125.23		36,866.49
Total - Local Sources	14,631,997.60	6,659.70	125.23	1,367,917.00	16,006,699.53
State Sources	1,474,361.63	20,949.14		704,685.00	2,199,995.77
Federal Sources	26,877.00	46,929.04			73,806.04
Total Revenues	16,133,236.23	74,537.88	125.23	2,072,602.00	18,280,501.34
<b>Expenditures:</b>					
Current:					
Regular Instruction	3,604,580.35	51,480.33			3,656,060.68
Special Education Instruction	444,311.74				444,311.74
Other Instruction	908,445.64				908,445.64
Support Services and Undistributed Costs:					
Tuition	1,947,840.03				1,947,840.03
Student and Instruction Related Services	1,477,502.99	23,057.55			1,500,560.54
General Administration	312,438.05				312,438.05
School Administrative Services	375,875.45				375,875.45
Central Services	262,864.12				262,864.12
Administrative Information Technology	28,464.31				28,464.31
Plant Operations and Maintenance	1,458,285.67				1,458,285.67
Pupil Transportation	961,873.34				961,873.34
Employee Benefits	3,224,022.91				3,224,022.91
Debt Service:					
Principal				525,000.00	525,000.00
Interest and Other Charges				430,112.50	430,112.50
Capital Outlay	632,635.97		4,744.41		637,380.38
Total Expenditures	15,639,140.57	74,537.88	4,744.41	955,112.50	16,673,535.36
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	494,095.66		(4,619.18)	1,117,489.50	1,606,965.98
<b>Other Financing Sources/(Uses):</b>					
Transfers In				125.23	125.23
Capital Lease (Non-Budgeted)	400,000.00				400,000.00
Transfers Out	(10,000.00)		(125.23)		(10,125.23)
Total Other Financing Sources/(Uses)	390,000.00		(125.23)	125.23	390,000.00
Net Change in Fund Balances	884,095.66		(4,744.41)	1,117,614.73	1,996,965.98
Fund Balance - July 1	1,104,581.17		236,273.18	(1,008,419.98)	332,434.37
Fund Balance - June 30	\$ 1,988,676.83	\$ 0.00	\$ 231,528.77	\$ 109,194.75	\$ 2,329,400.35

## SHORE REGIONAL HIGH SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$	1,996,965.98
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.			
Depreciation Expense	\$	(1,087,666.59)	
Capital Outlay		<u>454,116.12</u>	
			(633,550.47)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.			
			525,000.00
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.			
			205,122.73
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.			
			45,959.58
Proceeds of bonds, loans and capital leases is an other financing source in the governmental funds but is an increase to long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities			
			(384,000.00)
In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest over the previous year is an addition in the reconciliation.			
			<u>4,030.11</u>
Change in Net Assets of Governmental Activities	\$	<u>1,759,527.93</u>	

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF FUND NET ASSETS

## PROPRIETARY FUNDS

For the fiscal year ended June 30, 2012

	Business-Type Activities - <u>Enterprise Funds</u>
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 321.19
Inventory	<u>3,896.00</u>
Total - Current Assets	<u>4,217.19</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	162,301.74
Less:	
Accumulated Depreciation	<u>124,069.28</u>
Total - Noncurrent Assets	<u>38,232.46</u>
Total Assets	<u>\$ 42,449.65</u>
Liabilities:	
Accounts Payable	\$ 4,287.40
Interfund Payable	90,000.00
Deferred Revenue	<u>614.75</u>
Total Liabilities	<u>\$ 94,902.15</u>
Net Assets:	
Invested in Capital Assets Net of Related Debt	\$ 38,232.46
Unrestricted	<u>(90,684.96)</u>
Total Net Assets	<u>\$ (52,452.50)</u>

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

## PROPRIETARY FUNDS

For the fiscal year ended June 30, 2012

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 142,989.37
Special Functions	8,846.72
Miscellaneous	<u>10,051.52</u>
Total Operating Revenues	<u>161,887.61</u>
Operating Expenses:	
Salaries	34,595.97
Support Services - Employee Benefits	11,017.35
Purchased Professional/Technical Services	25,468.82
Supplies and Materials	3,286.00
Other Purchased Services	29,099.51
Depreciation	7,346.57
Cost of Sales	58,159.27
Miscellaneous Expenditures	<u>33,467.07</u>
Total Operating Expenses	<u>202,440.56</u>
Operating Loss	<u>(40,552.95)</u>
Other Financing Sources/(Uses):	
Transfers In - Board Contribution	<u>10,000.00</u>
Total Other Financing Sources/(Uses)	<u>10,000.00</u>
Change in Net Assets	(30,552.95)
Total Net Assets - Beginning	<u>(21,899.55)</u>
Total Net Assets - Ending	<u><u>\$ (52,452.50)</u></u>

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

For the fiscal year ended June 30, 2012

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows From Operating Activities:	
Receipts From Customers	\$ 152,226.46
Payments To Employees	(33,619.44)
Payments for Employee Benefits	(11,021.52)
Payments To Suppliers	<u>(137,532.07)</u>
Net Cash Provided/(Used) By Operating Activities	<u>(29,946.57)</u>
Cash Flows From Noncapital Financing Activities:	
Operating Subsidies and Transfers	<u>10,000.00</u>
Net Cash Used For Capital and Related Financing Activities	<u>10,000.00</u>
Net (Decrease) in Cash and Cash Equivalents	(19,946.57)
Balance - Beginning of Year	<u>20,267.76</u>
Balance - End of Year	<u><u>\$ 321.19</u></u>
Reconciliation of Operating Loss To Net Cash Used For Operating Activities:	
Operating Loss:	\$ (40,552.95)
Adjustments To Reconcile Operating Loss To Net Cash Provided By/(Used For) Operating Activities:	
(Increase)/Decrease in Accounts Receivable	18,763.92
Depreciation	7,346.57
(Increase)/Decrease in Inventories	(1,046.05)
Increase/(Decrease) in Interfund Payable	(10,000.00)
Increase/(Decrease) in Accounts Payable	(4,796.91)
Increase/(Decrease) in Deferred Revenue	<u>338.85</u>
Total Adjustments	<u>10,606.38</u>
Net Cash Provided By Operating Activities	<u><u>\$ (29,946.57)</u></u>

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

For the fiscal year ended June 30, 2012

	Unemployment Compensation Trust Fund	Agency Fund	Totals
Assets:			
Cash and Cash Equivalents		\$ 166,926.28	\$ 166,926.28
Due From Agency	\$ 2,922.61		2,922.61
Due From General Operating Fund		1,711.18	1,711.18
Total Assets	<u>\$ 2,922.61</u>	<u>\$ 168,637.46</u>	<u>\$ 171,560.07</u>
Liabilities:			
Due To Unemployment Trust Fund		\$ 2,922.61	\$ 2,922.61
Payable To Student Groups		160,731.30	160,731.30
Payroll Deductions and Withholdings		4,983.55	4,983.55
Total Liabilities		<u>168,637.46</u>	<u>168,637.46</u>
Net Assets:			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 2,922.61</u>		<u>2,922.61</u>
Total Net Assets	<u>2,922.61</u>		<u>2,922.61</u>
Total Liabilities and Net Assets	<u>\$ 2,922.61</u>	<u>\$ 168,637.46</u>	<u>\$ 171,560.07</u>

SHORE REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

For the fiscal year ended June 30, 2012

	Unemployment Compensation <u>Trust</u>	<u>Total</u>
Additions:		
Contributions:		
Plan Members	\$ 15,685.43	\$ 15,685.43
Board Contribution	<u>53,998.53</u>	<u>53,998.53</u>
Total Contributions	<u>69,683.96</u>	<u>69,683.96</u>
Total Additions	<u>69,683.96</u>	<u>69,683.96</u>
Deductions:		
Quarterly Contributions	4,613.36	4,613.36
Unemployment Claims	<u>66,242.60</u>	<u>66,242.60</u>
Total Deductions	<u>70,855.96</u>	<u>70,855.96</u>
Change in Net Assets	(1,172.00)	(1,172.00)
Net Assets - Beginning of Year	<u>4,094.61</u>	<u>4,094.61</u>
Net Assets - End of Year	<u><u>\$ 2,922.61</u></u>	<u><u>\$ 2,922.61</u></u>

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education ("Board") of the Shore Regional District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**A. Reporting Entity:**

The Shore Regional School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of ten members elected to three-year staggered terms. The purpose of the District is to educate students in grades 9-12. The Shore Regional School District had an approximate enrollment of 690 students at June 30, 2012.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the Organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the Organization
- the District appoints a voting majority of the Organization's Board
- the District is able to impose its will on the Organization
- the Organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the Organization on the District

Based on the aforementioned criteria, the District has no component units.



SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting:**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

**Basis of Presentation**

District-Wide Statements: The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category – governmental, proprietary, and fiduciary – are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting models.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following governmental funds:

**General Fund** - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**The District's Enterprise Fund is comprised of the Food Service Fund.**

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund-type operating statements present increases/(revenues) and decreases/(expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following fiduciary funds:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. At June 30, 2012, the District had no Non-Expendable Trust Funds.

**Agency Funds** - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Accounting**

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and Enterprise Funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund. The legal level of budgetary control is established at line item accounts within each Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund-types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2012, there was a reconciling difference of \$29,866.00 between the budgetary basis and GAAP basis in the General Fund and of \$(5,900.35) in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of Accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****C. Budgets/Budgetary Control: (Cont'd)**

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 16,163,102.23	\$ 80,438.23
Difference – budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less:		(11,965.81)
Add:		6,065.46
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,376.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(32,242.00)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 16,133,236.23</u>	<u>\$ 74,537.88</u>
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 15,639,140.57	\$ 80,438.23
Difference – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less:		(11,965.91)
Add:		<u>6,065.46</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 15,639,140.57</u>	<u>\$ 74,537.88</u>

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Encumbrance Accounting:**

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the Balance Sheet as deferred revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

**E. Assets, Liabilities, and Equity:**

**Interfund Transactions:**

Transfers between Governmental and Business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

Inventory purchases, other than those recorded in the Enterprise Fund, are recorded as expenditures during the first year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method.



SHORE REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Capital Assets:**

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Temporary or Portable Buildings	25
Vehicles	5
Carpeting	7
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15
Site Improvements	20
Custodial Equipment	10

**Compensated Absences:**

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Board Statement No. 16 ("GASB 16"), Accounting for Compensated Absences. A liability for Compensated Absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Compensated Absences (Cont'd):**

In the District-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, no liability existed for compensated absences in the Food Service Fund.

**Deferred Revenue:**

Deferred Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as Deferred Revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Deferred Revenue.

**Accrued Liabilities and Long-Term Obligations:**

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets:**

Net Assets represent the difference between assets and liabilities. Net Assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Assets are available.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Fund Balance Reserves:**

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved Fund Balance indicates that portion which is available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent years expenditures.

**Revenues – Exchange and Nonexchange Transactions:**

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the actual accrual basis when the Exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year-end.

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

**Allocation of Indirect Expenses:**

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items:**

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

# SHORE REGIONAL HIGH SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

### **2. CAPITAL RESERVE ACCOUNT**

A Capital Reserve Account was established by the Shore Regional High School Board of Education by inclusion of \$100,000.00 and \$100,000.00 on September 28, 2000 and February 28, 2001, respectively, for the accumulation of funds for use as Capital Outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

During the fiscal year ended June 30, 2012, the District had actual interest earnings of \$0.30.

The activity of the Capital Reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011		\$ 275,191.88
Increased By:		
Transferred by Board Resolution		
June 21, 2011	\$ 500,000.00	
Interest Earnings	<u>.30</u>	
		<u>500,000.30</u>
Ending Balance, June 30, 2012		<u>\$ 775,192.18</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted Capital Projects at June 30, 2012 is \$775,192.18.

### **3. TRANSFERS TO CAPITAL OUTLAY**

During the year ending June 30, 2012, the District transferred \$45,197.09 to the Capital Outlay accounts for equipment.

# SHORE REGIONAL HIGH SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

### **4. DEPOSITS AND INVESTMENTS**

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

#### Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at June 30, 2012 and 2011 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2012 and 2011, the book value of the Board's deposits were \$2,295,394.18 and \$406,775.89, respectively.

#### Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Board's deposits might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2012 and 2011, the Board's bank balances of \$2,550,666.17 and \$698,395.19 respectively, were exposed to Custodial Credit Risk as follows:

	<u>2012</u>	<u>2011</u>
Insured	<u>\$ 2,550,666.17</u>	<u>\$ 698,395.19</u>

During the year ended June 30, 2012, the Board participated in the New Jersey Cash Management Fund ("Fund"). The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the Fund are not subject to custodial credit risk as defined above. At June 30, 2012 and 2011, the Board's deposits with the Fund were \$48,285.19 and \$48,280.02, respectively.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**4. DEPOSITS AND INVESTMENTS (CONT'D)**

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2012, the Board had no investments.

Interest Rate Risk

The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**5. RECEIVABLES**

Receivables at June 30, 2012, consisted of property taxes, accrued interest, interfund, and intergovernmental. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
Federal/State Aid	\$ 349,179.33	\$ 349,179.33
Interfunds	90,000.00	88,288.82
Other	<u>82,562.67</u>	<u>82,562.67</u>
	521,742.00	520,030.82
Less Allowance for Uncollectibles	<u>0.00</u>	<u>0.00</u>
Total Receivables, Net	<u>\$ 521,742.00</u>	<u>\$ 520,030.82</u>

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**6. INTERFUND BALANCES AND TRANSFERS**

Balances due to/from other funds at June 30, 2012 consist of the following:

\$ 1,711.18	Due to Payroll Agency Fund from General Operating Fund representing a cash advance.
2,922.61	Due to Unemployment Trust Fund From Payroll Agency Fund representing a cash advance.
<u>90,000.00</u>	Due to General Operating from Food Service Fund representing a cash advance.
<u>\$ 94,633.79</u>	

**Transfers**

As of June 30, 2012, the District's operating transfers consisted of \$125.23 of interest income from Capital Projects Fund to Debt Service Fund.

**7. INVENTORY**

Inventory in the Food Service Fund at June 30, 2012, consisted of the following:

Food	\$ 2,333.09
Supplies	<u>1,562.91</u>
	<u>\$ 3,896.00</u>



## SHORE REGIONAL HIGH SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**8. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 485,000.00				\$ 485,000.00
Construction in Progress	<u>13,762,726.82</u>	<u>\$ 4,744.41</u>		<u>\$ (13,767,471.23)</u>	
Total Capital Assets Not Being Depreciated	<u>14,247,726.82</u>	<u>4,744.41</u>		<u>(13,767,471.23)</u>	<u>485,000.00</u>
Capital Assets Being Depreciated:					
Site Improvements	629,830.00	55,475.00	\$ 52,613.00	137,674.71	770,366.71
Building and Building Improvements	7,179,276.52	31,975.60	129,529.00	2,753,494.25	9,835,217.37
Machinery and Equipment	<u>3,073,688.45</u>	<u>361,921.11</u>	<u>152,224.00</u>	<u>10,876,302.27</u>	<u>14,159,687.83</u>
Totals at Historical Cost	<u>10,882,794.97</u>	<u>449,371.71</u>	<u>334,366.00</u>	<u>13,767,471.23</u>	<u>24,765,271.91</u>
Less Accumulated Depreciation for:					
Site Improvements	(349,424.84)	(33,270.13)	(52,613.00)		(330,081.97)
Building and Building Improvements	(5,161,333.35)	(285,857.98)	(129,529.00)		(5,317,662.33)
Machinery and Equipment	<u>(2,286,109.82)</u>	<u>(768,538.48)</u>	<u>(152,224.00)</u>		<u>(2,902,424.30)</u>
Total Accumulated Depreciation	<u>(7,796,868.01)</u>	<u>(1,087,666.59)</u>	<u>(334,366.00)</u>		<u>(8,550,168.60)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>3,085,926.96</u>	<u>(638,294.88)</u>		<u>13,767,471.23</u>	<u>16,215,103.31</u>
Government Activity Capital Assets, Net	<u>17,333,653.78</u>	<u>(633,550.47)</u>			<u>16,700,103.31</u>
Business-Type Activities:					
Capital Assets Being Depreciated:					
Equipment	162,301.74				162,301.74
Less Accumulated Depreciation	<u>(116,722.71)</u>	<u>(7,346.57)</u>			<u>(124,069.28)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 45,579.03</u>	<u>\$ (7,346.57)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 38,232.46</u>

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**8. CAPITAL ASSETS (CONT'D)**

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.00.

Depreciation expense was charged to functions as follows:

Instruction - Regular	\$ 724,436.68
Instruction - Special	14,548.69
Other Special Instruction	10,911.52
Other Instruction	114,084.42
Student and Instructional-Related Services	40,014.03
School Administrative Services	5,921.02
General and Business Administrative Services	5,550.82
Plant Operations and Maintenance	39,798.96
Pupil Transportation	<u>132,400.44</u>
Total	<u>\$1,087,666.58</u>

**9. LONG-TERM OBLIGATIONS**

**A. Long-Term Obligation Activity:**

Changes in Long-Term Obligations for the year ended June 30, 2012, are as follows:

	Balance June 30, <u>2011</u>	<u>Additions</u>	<u>Retired</u>	Balance June 30, <u>2012</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Obligations Under					
Capital Leases	\$ 623,556.18	\$ 384,000.00	\$ 205,122.73	\$ 802,433.45	\$ 279,732.53
Bonds Payable	13,500,000.00		525,000.00	12,975,000.00	540,000.00
Compensated					
Absences Payable	<u>233,993.99</u>	<u>81,272.39</u>	<u>127,231.97</u>	<u>188,034.41</u>	<u>16,612.94</u>
	<u>\$ 14,357,550.17</u>	<u>\$ 465,272.39</u>	<u>\$ 857,354.70</u>	<u>\$ 13,965,467.86</u>	<u>\$ 836,345.47</u>

Compensated absences and capital leases have been liquidated in the General Fund.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**9. LONG-TERM OBLIGATIONS (CONT'D)**

**B. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

As of June 30, 2012, the District had the following Bonds payable:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012/13	\$ 540,000.00	\$ 424,862.50	\$ 964,862.50
2013/14	555,000.00	414,062.50	969,062.50
2014/15	570,000.00	402,962.50	972,962.50
2015/16	585,000.00	390,137.50	975,137.50
2016/17	600,000.00	376,975.00	976,975.00
2017/18	620,000.00	361,975.00	981,975.00
2018/19	640,000.00	343,375.00	983,375.00
2019/20	660,000.00	324,175.00	984,175.00
2020/21	680,000.00	304,375.00	984,375.00
2021/22	710,000.00	282,275.00	992,275.00
2022/23	735,000.00	259,200.00	994,200.00
2023/24	765,000.00	235,312.50	1,000,312.50
2024/25	795,000.00	208,537.50	1,003,537.50
2025/26	830,000.00	178,725.00	1,008,725.00
2026/27	865,000.00	147,600.00	1,012,600.00
2027/28	900,000.00	113,000.00	1,013,000.00
2028/29	940,000.00	77,000.00	1,017,000.00
2029/30	<u>985,000.00</u>	<u>39,400.00</u>	<u>1,024,400.00</u>
	<u>\$ 12,975,000.00</u>	<u>\$ 4,883,950.00</u>	<u>\$ 17,858,950.00</u>

**C. Bonds Authorized But Not Issued**

As of June 30, 2012, the District had no bonds authorized but not issued.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**9. LONG-TERM OBLIGATIONS (CONT'D)****D. Capital Leases**

The District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets and the General Long-Term Debt, respectively. Assets under capital leases total \$1,396,556.20. The following is a schedule of future minimum lease payments under capital leases as of June 30, 2012:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 279,732.53	\$ 26,050.05	\$ 305,782.58
2014	196,700.92	16,803.62	213,504.54
2015	163,000.00	8,520.00	171,520.00
2016	80,000.00	4,090.00	84,090.00
2017	<u>83,000.00</u>	<u>1,245.00</u>	<u>84,245.00</u>
	<u>\$ 802,433.45</u>	<u>\$ 56,708.67</u>	<u>\$ 859,142.12</u>

**10. OPERATING LEASES**

The District has commitments to lease copiers under operating leases that expire in 2014. Total operating lease payments made during the year ended June 30, 2012 were \$61,516.26. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2013	\$ 59,647.06
2014	20,683.80
2015	<u>18,138.34</u>
Total Future Minimum Lease Payments	<u>\$ 98,469.20</u>

**11. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by New Jersey Division of Pension and Benefits ("Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly-available financial report that includes the financial statements and is required supplementary information for the Public Employees Retirement Systems and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

#### **11. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund ("TPAF")** - The Teachers' Pension and Annuity Fund was established as of January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional, and certified.

**Public Employees' Retirement System ("PERS")** - The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A: 6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members always full vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members account.

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the assets valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for reduction in the employee's rate after calendar year 1999 providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and to change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**11. PENSION PLANS (CONT'D)**

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially-determined rate in both TPAF and PERS. The actuarially-determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

<b><u>Three-Year Trend Information for PERS</u></b>			
<b><u>Year Funding June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
2012	\$ 120,105.00	100.00%	\$ 0.00
2011	144,576.00	100.00	0.00
2010	94,173.00	100.00	0.00

<b><u>Three-Year Trend Information (Paid on Behalf of District)</u></b>			
<b><u>Year Funding June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
2012	\$ 507,690.00	100.00%	\$ 0.00
2011	362,015.00	100.00	0.00
2010	368,052.00	100.00	0.00

During the year ended June 30, 2012, the State of New Jersey contributed \$152,309.00 to the TPAF for normal costs, \$16,345.00 for NCGI premiums and \$339,036.00 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66, the State of New Jersey reimbursed the District \$367,015.23 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with GASB 24.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**11. PENSION PLANS (CONT'D)**

**Contribution Requirements (cont'd)**

Legislation enacted during 1991 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District will assume the increased cost for the early retirement as it affects their district.

**12. POST – RETIREMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

The State will set the contribution rate based on the annual required contribution of the employers ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2012, 2011, and 2010 were \$339,036.00, \$345,737.00, and \$301,838.00, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

# SHORE REGIONAL HIGH SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

### **13. DEFERRED COMPENSATION**

The Board offers its employees choice of the following Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan Administrators are as follows:

Variable Annuity	Lincoln Investment
AXA Equitable	American Fund
Metropolitan Life	Ameriprise Financial
Unum	

### **14. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and the previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011/12	\$ 53,998.53	\$ 15,685.43	\$ 66,242.60	\$ 2,922.61
2010/11	128,430.21	13,274.21	130,516.27	4,094.61
2009/10	49,786.08	11,657.10	61,261.63	(2,727.87)

### **15. CONTINGENT LIABILITIES**

#### **Grant Programs**

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.



SHORE REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**16. FUND BALANCE APPROPRIATED**

The District has implemented GASB 54 during fiscal year 2012.

As such, fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable Fund Balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned Fund Balance – amounts a District *intends* to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance – amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**16. FUND BALANCE APPROPRIATED (CONT'D)**

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

**Classification Totals**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Fund Balances:					
Restricted	\$ 914,304.80		\$ 109,194.75	\$ 231,528.77	\$1,255,028.32
Assigned	540,225.15				540,225.15
Unassigned	<u>534,146.88</u>				<u>534,146.88</u>
	<u>\$ 1,988,676.83</u>	<u>\$ 0.00</u>	<u>\$ 109,194.75</u>	<u>\$ 231,528.77</u>	<u>\$2,329,400.35</u>

## REQUIRED SUPPLEMENTARY INFORMATION – PART II

## BUDGETARY COMPARISON SCHEDULES

## BUDGETARY COMPARISON SCHEDULE

## GENERAL FUND

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 14,386,255.00		\$ 14,386,255.00	\$ 14,386,255.00	
Tuition	30,000.00		30,000.00	58,222.22	\$ 28,222.22
Transportation Fees From Other LEAS	355,000.00		355,000.00	157,438.52	(197,561.48)
Interest Earned on Capital Reserve Funds	100.00		100.00	0.30	(99.70)
Unrestricted Miscellaneous Revenues	38,000.00		38,000.00	30,081.56	(7,918.44)
<b>Total Local Sources</b>	<b>14,809,355.00</b>		<b>14,809,355.00</b>	<b>14,631,997.60</b>	<b>(177,357.40)</b>
State Sources:					
Extraordinary Aid				278,800.00	278,800.00
Categorical Special Education Aid	191,114.00		191,114.00	340,154.00	149,040.00
Other State Aid				10,568.40	10,568.40
TPAF Contributions (On-Behalf - Non-Budgeted)				152,309.00	152,309.00
TPAF Pension NCGI (On-Behalf - Non-Budgeted)				16,345.00	16,345.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				339,036.00	339,036.00
TPAF Social Security (Reimbursed - Non-Budgeted)				367,015.23	367,015.23
<b>Total State Sources</b>	<b>191,114.00</b>		<b>191,114.00</b>	<b>1,504,227.63</b>	<b>1,313,113.63</b>
Federal Sources:					
Education Jobs Fund	26,061.00	\$ 816.00	26,877.00	26,877.00	
<b>Total Federal Sources</b>	<b>26,061.00</b>	<b>816.00</b>	<b>26,877.00</b>	<b>26,877.00</b>	
<b>Total Revenues</b>	<b>15,026,530.00</b>	<b>816.00</b>	<b>15,027,346.00</b>	<b>16,163,102.23</b>	<b>1,135,756.23</b>
<b>EXPENDITURES</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 9 - 12	3,300,487.00	31,500.00	3,331,987.00	3,328,239.51	3,747.49
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000.00	20,880.50	30,880.50	30,880.50	
Purchased Professional - Educational Services	10,000.00	(3,000.00)	7,000.00	5,930.14	1,069.86
Regular Programs - Undistributed Instruction:					
Other Purchased Services	53,767.00	(0.16)	53,766.84	47,901.66	5,865.18
General Supplies	191,354.00	51,004.21	242,358.21	167,115.36	75,242.85
Textbooks	14,000.00	(8,396.82)	5,603.18	5,603.18	
Other Objects	28,200.00		28,200.00	18,910.00	9,290.00
<b>Total Regular Programs - Instruction</b>	<b>3,607,808.00</b>	<b>91,987.73</b>	<b>3,699,795.73</b>	<b>3,604,580.35</b>	<b>95,215.38</b>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	467,175.00	(61,583.35)	405,591.65	405,591.65	
Other Salaries for Instruction	27,000.00	10,342.26	37,342.26	37,342.26	
Purchased Professional - Educational Services	18,100.00	(6,520.61)	11,579.39		11,579.39
General Supplies	2,000.00		2,000.00	1,377.83	622.17
Other Objects	1,000.00		1,000.00		1,000.00
<b>Total Resource Room/Resource Center</b>	<b>515,275.00</b>	<b>(57,761.70)</b>	<b>457,513.30</b>	<b>444,311.74</b>	<b>13,201.56</b>
<b>Total Special Education - Instruction</b>	<b>515,275.00</b>	<b>(57,761.70)</b>	<b>457,513.30</b>	<b>444,311.74</b>	<b>13,201.56</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	115,635.00	(17,749.16)	97,885.84	97,885.84	
Supplies and Materials	44,300.00	(6,753.82)	37,546.18	35,395.66	2,150.52
Other Objects	9,000.00	108,843.21	117,843.21	117,843.21	
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>168,935.00</b>	<b>84,340.23</b>	<b>253,275.23</b>	<b>251,124.71</b>	<b>2,150.52</b>
School Sponsored Athletics - Instruction:					
Salaries	503,736.00	2,714.62	506,450.62	506,450.62	
Supplies and Materials	50,600.00	4,159.15	54,759.15	44,991.93	9,767.22
Other Objects	90,220.00	30,838.38	121,058.38	105,878.38	15,180.00
<b>Total School Sponsored Athletics - Instruction</b>	<b>644,556.00</b>	<b>37,712.15</b>	<b>682,268.15</b>	<b>657,320.93</b>	<b>24,947.22</b>
<b>Total - Instruction</b>	<b>4,936,574.00</b>	<b>156,278.41</b>	<b>5,092,852.41</b>	<b>4,957,337.73</b>	<b>135,514.68</b>
Undist. Expend. - Instruction:					
Tuition To Other LEAs Within the State - Special	146,900.00	14,125.50	161,025.50	161,025.50	
Tuition To County Voc. School District - Regular	395,040.00	(87,582.50)	307,457.50	307,457.50	
Tuition To County Voc. School District - Special	46,000.00		46,000.00	36,220.00	9,780.00
Tuition To Private Schools for the Disabled Within State	1,361,203.00	18,728.90	1,379,931.90	1,379,594.03	337.87
Tuition To Priv. Sch. Disabled & Other LEAs - Spl, O/S State	62,900.00	643.00	63,543.00	63,543.00	
<b>Total Undist. Expend. - Instruction</b>	<b>2,012,043.00</b>	<b>(54,085.10)</b>	<b>1,957,957.90</b>	<b>1,947,840.03</b>	<b>10,117.87</b>

## SHORE REGIONAL HIGH SCHOOL DISTRICT

Exhibit C-1  
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## BUDGETARY COMPARISON SCHEDULE

## GENERAL FUND

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend. - Attendance and Social Work Services:					
Salaries	71,795.00	0.12	71,795.12	69,795.16	1,999.96
Total Undist. Expend. - Attendance and Social Work Services	71,795.00	0.12	71,795.12	69,795.16	1,999.96
Undist. Expend. - Health Services:					
Salaries	62,900.00		62,900.00	62,900.00	
Purchased Professional and Technical Services	16,250.00		16,250.00	14,833.04	1,416.96
Supplies and Materials	3,700.00		3,700.00	2,115.41	1,584.59
Other Objects	8,550.00		8,550.00	7,563.44	986.56
Total Undist. Expend. - Health Services	91,400.00		91,400.00	87,411.89	3,988.11
Undist. Expend. - Speech, OT, PT & Related Services:					
Purchased Professional - Educational Services		3,400.00	3,400.00	3,400.00	
Total Undist. Expend. - Speech, OT, PT & Related Services		3,400.00	3,400.00	3,400.00	
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	472,592.00	2,286.76	474,878.76	474,878.76	
Salaries of Secretarial and Clerical Assistants	84,625.00		84,625.00	83,420.67	1,204.33
Purchased Professional - Educational Services	3,000.00	261.90	3,261.90	3,261.90	
Other Purchased Services	14,600.00	2,003.12	16,603.12	16,603.12	
Supplies and Materials	9,500.00	(1,503.35)	7,996.65	3,225.08	4,771.57
Other Objects	2,300.00		2,300.00	2,288.80	11.20
Total Undist. Expend. - Guidance	586,617.00	3,048.43	589,665.43	583,678.33	5,987.10
Undist. Expend. - Child Study Teams:					
Salaries of Other Professional Staff	104,075.00	88,195.12	192,270.12	192,270.12	
Purchased Professional - Educational Services	20,000.00	80,777.61	100,777.61	100,777.61	
Miscellaneous Purchased Services	2,700.00	(58.49)	2,641.51	2,641.51	
Supplies and Materials	1,700.00	(666.74)	1,033.26	1,033.26	
Other Objects	6,500.00	(6,264.72)	235.28	235.28	
Total Undist. Expend. - Child Study Teams	134,975.00	161,982.78	296,957.78	296,957.78	
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	145,234.00	12,874.84	158,108.84	158,108.84	
Salaries of Other Professional Staff	10,000.00		10,000.00	6,775.00	3,225.00
Salaries of Secretarial and Clerical Assistants	39,939.00		39,939.00	39,939.00	
Supplies and Materials	2,200.00	(1,437.18)	762.82	670.08	92.74
Other Objects	23,500.00	19,779.41	43,279.41	43,279.41	
Total Undist. Expend. - Improvement of Instructional Services	220,873.00	31,217.07	252,090.07	248,772.33	3,317.74
Undist. Expend. - Educational Media/School Library:					
Salaries	164,846.00	(17,371.22)	147,474.78	142,621.82	4,852.96
Other Purchased Services	28,900.00	1,753.21	30,653.21	30,653.21	
Supplies and Materials	3,700.00	229.27	3,929.27	3,929.27	
Other Objects	700.00		700.00	255.00	445.00
Total Undist. Expend. - Educational Media/School Library	198,146.00	(15,388.74)	182,757.26	177,459.30	5,297.96
Undist. Expend. - Instructional Staff Training Services:					
Other Purchased Services	8,000.00	(1,062.76)	6,937.24	4,965.44	1,971.80
Supplies and Materials	500.00	223.76	723.76	723.76	
Other Objects	3,500.00	839.00	4,339.00	4,339.00	
Total Undist. Expend. - Instructional Staff Training Services	12,000.00		12,000.00	10,028.20	1,971.80
Undist. Expend. - Support Services - General Administration:					
Salaries	152,480.00	(29,637.41)	122,842.59	122,842.59	
Legal Services	30,000.00		30,000.00	21,443.46	8,556.54
Audit Fees	24,500.00	27,250.00	51,750.00	25,500.00	26,250.00
Other Purchased Professional Services	17,000.00	(9,956.00)	7,044.00	5,044.00	2,000.00
Communications/Telephone	79,368.00	(26,960.18)	52,407.82	50,319.35	2,088.47
BOE Other Purchased Services	5,000.00	(399.41)	4,600.59	2,789.36	1,811.23
Miscellaneous Purchased Services	13,300.00	2,389.15	15,689.15	15,689.15	
General Supplies	3,000.00		3,000.00	2,921.31	78.69
BOE In-House Training/Meeting Supplies	6,000.00		6,000.00	4,052.57	1,947.43
Miscellaneous Expenditures	17,800.00	26,178.46	43,978.46	43,978.46	
BOE Membership Dues and Fees	13,600.00	4,257.80	17,857.80	17,857.80	
Total Undist. Expend. - Support Services - General Administration	362,048.00	(6,877.59)	355,170.41	312,438.05	42,732.36

## SHORE REGIONAL HIGH SCHOOL DISTRICT

Exhibit C-1  
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## BUDGETARY COMPARISON SCHEDULE

## GENERAL FUND

Fiscal year ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES (continued)					
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	349,367.00		349,367.00	340,238.54	9,128.46
Salaries of Secretarial and Clerical Assistants	16,150.00		16,150.00	15,677.34	472.66
Other Purchased Services	500.00		500.00	166.55	
Supplies and Materials	8,500.00	(286.88)	8,213.12	6,824.72	1,388.40
Other Objects	11,486.00	1,482.30	12,968.30	12,968.30	
Total Undist. Expend. - Support Services - School Administration	386,003.00	1,195.42	387,198.42	375,875.45	11,322.97
Undist. Expend. - Central Services:					
Salaries	222,193.00	4,419.78	226,612.78	226,612.78	
Purchased Professional Services	20,641.00		20,641.00	19,986.10	654.90
Supplies and Materials	6,200.00	2,290.54	8,490.54	8,490.54	
Miscellaneous Expenditures	13,950.00	(5,399.92)	8,550.08	7,774.70	775.38
Total Undist. Expend. - Central Services	262,984.00	1,310.40	264,294.40	262,864.12	1,430.28
Undist. Expend. - Admin. Info. Technology:					
Salaries	3,141.00	4,189.16	7,330.16	7,330.08	0.08
Other Purchased Services	22,598.00	24,155.81	46,753.81	16,851.31	29,902.50
Supplies and Materials	800.00	3,482.92	4,282.92	4,282.92	
Total Undist. Expend. - Admin. Info. Technology	26,539.00	31,827.89	58,366.89	28,464.31	29,902.58
Undist. Expend. - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	46,000.00	42,016.12	88,016.12	72,103.56	15,912.56
General Supplies	32,500.00	6,279.24	38,779.24	38,779.24	
Other Objects	12,000.00	673.40	12,673.40	12,673.40	
Total Undist. Expend. - Required Maintenance for School Facilities	90,500.00	48,968.76	139,468.76	123,556.20	15,912.56
Undist. Expend. - Other Operations and Maintenance of Plant:					
Salaries	50,999.00	15,951.33	66,950.33	66,950.33	
Cleaning, Repair and Maintenance Services	658,100.00	(118,251.96)	539,848.04	539,848.04	
Other Purchased Property Services	69,000.00	4,234.53	73,234.53	71,676.85	1,557.68
Insurance	156,779.00	(33,732.45)	123,046.55	118,442.44	4,604.11
General Supplies	26,000.00		26,000.00	23,053.29	2,946.71
Energy (Electricity)	240,000.00		240,000.00	232,864.91	7,135.09
Energy (Natural Gas)	100,000.00		100,000.00	86,286.55	13,713.45
Other Objects	10,000.00		10,000.00	4,733.00	5,267.00
Total Undist. Expend. - Other Oper. & Maint. of Plant	1,310,878.00	(131,798.55)	1,179,079.45	1,143,855.41	35,224.04
Undist. Expend. - Care & Upkeep of Grounds:					
Cleaning, Repair, & Maintenance Services	41,000.00	83,366.63	124,366.63	119,866.63	4,500.00
General Supplies	37,500.00	17,589.89	55,089.89	55,089.89	
Other Objects	6,000.00	1,170.88	7,170.88	6,938.06	232.82
Total Undist. Expend. - Care & Upkeep of Grounds	84,500.00	102,127.40	186,627.40	181,894.58	4,732.82
Undist. Expend. - Security:					
Cleaning, Repair, & Maintenance Services	7,000.00	1,979.48	8,979.48	8,979.48	
Total Undist. Expend. - Security	7,000.00	1,979.48	8,979.48	8,979.48	
Total Undist. Expend. - Req. Maint. & Oper. & Maint. of Plant	1,492,878.00	21,277.09	1,514,155.09	1,458,285.67	55,869.42
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transp. (Bet. Home & School) - Regular	393,200.00	(16,396.36)	376,803.64	341,858.58	34,945.06
Salaries for Pupil Transp. (Bet. Home & School) - Special Ed.	14,133.00		14,133.00		
Salaries for Pupil Transp. (Other than Bet. Home & School)		30,660.79	30,660.79	30,660.79	
Salaries for Pupil Transp. (Bet. Home & School) - NonPublic Sch.	90,547.00	(16,051.92)	74,495.08	73,145.89	1,349.19
Cleaning, Repair and Maintenance Services	60,000.00	20,267.88	80,267.88	80,117.88	150.00
Lease Purchase Payments - School Buses	64,934.00	114,314.62	179,248.62	41,097.10	138,151.52
Contracted Services (Regular Students) - ESCs & CTSAs	348,671.00	(152,821.67)	195,849.33	53,111.82	142,737.51
Contracted Services (Special Ed. Students) - ESCs & CTSAs	190,000.00	(2,594.80)	187,405.20	160,716.47	26,688.73
Contracted Services - Aid in Lieu of Payments - NonPublic Sch.	25,000.00	31,134.00	56,134.00	17,680.00	38,454.00
Misc. Purchased Services - Transportation	16,528.00	3,978.52	20,506.52	20,506.52	
General Supplies	500.00	4,535.74	5,035.74	4,860.74	175.00
Transportation Supplies	77,500.00	49,384.62	126,884.62	126,884.62	
Other Objects	7,950.00	3,667.28	11,617.28	11,232.93	384.35
Total Undist. Expend. - Student Transportation Services	1,288,963.00	70,078.70	1,359,041.70	961,873.34	397,168.36
Regular Programs - Instruction - Employee Benefits:					
Social Security Contributions	89,052.00		89,052.00	89,052.00	
Workmen's Compensation	62,746.00		62,746.00	50,189.04	12,556.96
Health Benefits	1,082,101.00	(81,257.09)	1,000,843.91	921,377.17	79,466.74
Tuition Reimbursement	27,000.00		27,000.00	21,793.80	5,206.20
Other Employee Benefits	14,000.00		14,000.00	14,000.00	
Total Regular Programs - Instruction - Employee Benefits	1,274,899.00	(81,257.09)	1,193,641.91	1,096,412.01	97,229.90

## SHORE REGIONAL HIGH SCHOOL DISTRICT

Exhibit C-1  
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## BUDGETARY COMPARISON SCHEDULE

## GENERAL FUND

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Guidance - Employee Benefits:					
Social Security Contributions	15,061.00		15,061.00	11,778.10	3,282.90
Workmen's Compensation	6,824.00		6,824.00	6,824.00	
Health Benefits	177,700.00		177,700.00	177,700.00	
Tuition Reimbursement	1,000.00	(261.90)	738.10		738.10
Total Guidance - Employee Benefits	200,585.00	(261.90)	200,323.10	196,302.10	4,021.00
Educational Media Services - School Library - Employee Benefits:					
Tuition Reimbursement	3,000.00		3,000.00	3,000.00	
Total Educ. Media Services - School Library - Employee Benefits	3,000.00		3,000.00	3,000.00	
Student Transportation Services - Employee Benefits:					
Social Security Contributions	10,620.00		10,620.00	10,620.00	
Workmen's Compensation	11,159.00		11,159.00	11,159.00	
Health Benefits	123,600.00		123,600.00	76,000.00	47,600.00
Total Student Transportation Services - Employee Benefits	145,379.00		145,379.00	97,779.00	47,600.00
Total Allocated Benefits	1,623,863.00	(81,518.99)	1,542,344.01	1,393,493.11	148,850.90
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	70,701.00		70,701.00	70,701.00	
Other Retirement Contributions - Regular	110,000.00	21,876.44	131,876.44	131,876.44	
Unemployment Compensation	95,000.00		95,000.00	54,322.53	40,677.47
Workmen's Compensation	18,414.00		18,414.00	15,673.61	2,740.39
Health Benefits	717,700.00		717,700.00	662,172.73	55,527.27
Tuition Reimbursement	15,000.00		15,000.00	1,500.00	13,500.00
Other Employee Benefits	15,500.00	4,078.26	19,578.26	19,578.26	
Total Unallocated Benefits - Employee Benefits	1,042,315.00	25,954.70	1,068,269.70	955,824.57	112,445.13
TPAF Contributions (On-Behalf - Non-Budgeted)				152,309.00	(152,309.00)
TPAF Pension NCGI (On-Behalf - Non-Budgeted)				16,345.00	(16,345.00)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				339,036.00	(339,036.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				367,015.23	(367,015.23)
Total On-Behalf Contributions				874,705.23	(874,705.23)
Total Personal Services - Employee Benefits	2,666,178.00	(55,564.29)	2,610,613.71	3,224,022.91	(613,409.20)
Total Undistributed Expenditures	9,813,442.00	193,422.18	10,006,864.18	10,049,166.87	(42,302.69)
Total Expenditures - Current Expense	14,750,016.00	349,700.59	15,099,716.59	15,006,504.60	93,211.99
CAPITAL OUTLAY					
Interest Deposit To Capital Reserve	100.00		100.00		100.00
Equipment:					
Undistributed Expenditures:					
Required Maint. For School Facilities	236,170.00	45,197.09	281,367.09	192,391.97	88,975.12
Custodial Services	12,500.00		12,500.00	12,500.00	
Total Equipment	248,670.00	45,197.09	293,867.09	204,891.97	88,975.12
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements - Principal	26,998.00		26,998.00	26,998.00	
Other Objects	746.00		746.00	746.00	
Total Facilities Acquisition and Construction Services	27,744.00		27,744.00	27,744.00	
Assets Acquired Under Capital Leases (Non-Budgeted):					
Equipment				400,000.00	(400,000.00)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				400,000.00	(400,000.00)
Total Capital Outlay	276,514.00	45,197.09	321,711.09	632,635.97	(310,924.88)
Total Expenditures	15,026,530.00	394,897.68	15,421,427.68	15,639,140.57	(217,712.89)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(394,081.68)	(394,081.68)	523,961.66	918,043.34
Other Financing Sources/(Uses):					
Operating Transfers In/(Out):					
Capital Lease (Non-Budgeted)				400,000.00	400,000.00
Transfer To Cover Deficit - Enterprise Fund	(10,000.00)		(10,000.00)	(10,000.00)	
Total Other Financing Sources/(Uses)	(10,000.00)		(10,000.00)	390,000.00	400,000.00



## BUDGETARY COMPARISON SCHEDULE

## GENERAL FUND

Fiscal year ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(10,000.00)	(394,081.68)	(404,081.68)	913,961.66	1,318,043.34
Fund Balances, July 1	<u>1,106,957.17</u>		<u>1,106,957.17</u>	<u>1,106,957.17</u>	
Fund Balances, June 30	<u>\$ 1,096,957.17</u>	<u>\$ (394,081.68)</u>	<u>\$ 702,875.49</u>	<u>\$ 2,020,918.83</u>	<u>\$ 1,318,043.34</u>
Recapitulation:					
Restricted:					
Legally Restricted - Lease					
Reserved Excess Surplus:					
Designated for Subsequent Year's Expenditures				\$ 139,112.62	
Capital Reserve				775,192.18	
Assigned:					
Year-End Encumbrances				391,184.77	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				149,040.38	
Unassigned				<u>566,388.88</u>	
				2,020,918.83	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(32,242.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,988,676.83</u>	

## SHORE REGIONAL HIGH SCHOOL DISTRICT

EDUCATION JOBS FUND PROGRAM  
BUDGET AND ACTUAL

Fiscal year ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES:					
Federal Sources:					
Education Job Fund	\$ 26,061.00	\$ 816.00	\$ 26,877.00	\$ 26,877.00	
Total Federal Sources	26,061.00	816.00	26,877.00	26,877.00	
Total Revenues	26,061.00	816.00	26,877.00	26,877.00	
EXPENDITURES:					
Current Expense:					
Resource Room/Resource Center:					
Salaries for Pupil Transp. (Bet. Home & School) - Regular	\$ 26,061.00	\$ 816.00	\$ 26,877.00	\$ 26,877.00	
Total Undist. Expend. - Student Transportation Services	26,061.00	816.00	26,877.00	26,877.00	
Total Undistributed Expenditures	26,061.00	816.00	26,877.00	26,877.00	
Total Expenditures - Current Expense	26,061.00	816.00	26,877.00	26,877.00	
Total Expenditures	26,061.00	816.00	26,877.00	26,877.00	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
Fund Balances, July 1					
Fund Balances, June 30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE

## SPECIAL REVENUE FUND

Fiscal year ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Revenues:			
Local Sources	\$ 6,659.70	\$ 6,659.70	
State Sources	30,614.94	20,949.14	\$ (9,665.80)
Federal Sources	52,829.39	52,829.39	
Total Revenues	<u>90,104.03</u>	<u>80,438.23</u>	<u>(9,665.80)</u>
Expenditures:			
Instruction:			
Salaries	14,100.00	14,100.00	
Purchased Professional and Technical Services	24,560.94	14,939.19	9,621.75
Purchased Services	14,517.00	14,517.00	
Other Purchased Services	3,688.71	3,688.71	
Supplies	13,247.54	13,247.54	
Textbooks	2,493.00	2,450.02	42.98
Total Instruction	<u>72,607.19</u>	<u>62,942.46</u>	<u>9,664.73</u>
Support Services:			
Professional and Technical Services	7,149.17	7,148.10	1.07
Purchased Property Services	6,659.70	6,659.70	
Other Purchased Services	3,687.97	3,687.97	
Total Support Services	<u>17,496.84</u>	<u>17,495.77</u>	<u>1.07</u>
Total Expenditures	<u>90,104.03</u>	<u>80,438.23</u>	<u>9,665.80</u>
Total Outflows	<u>90,104.03</u>	<u>80,438.23</u>	<u>9,665.80</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE

## BUDGET-TO-GAAP RECONCILIATION

Fiscal year ended June 30, 2012

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 16,163,102.23	\$ 80,438.23
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances		(11,965.81)
Add: Prior Year Encumbrances		6,065.46
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,376.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(32,242.00)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 16,133,236.23</u>	<u>\$ 74,537.88</u>
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 15,639,140.57	\$ 80,438.23
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less: Current Year Encumbrances		(11,965.81)
Add: Prior Year Encumbrances		<u>6,065.46</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 15,639,140.57</u>	<u>\$ 74,537.88</u>

## OTHER SUPPLEMENTARY INFORMATION

## SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

SHORE REGIONAL HIGH SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ending June 30, 2012

	Non-Public Aid					
	Textbooks	Nursing	Auxiliary Services Home Instruction	Exam and Class	Handicapped Corrective Speech	Supplementary Instruction
<u>Revenues</u>						
Local Sources	\$ 2,450.02	\$ 3,559.93	\$ 572.94	\$ 9,016.25	\$ 790.00	\$ 4,560.00
State Sources						
Federal Sources						
Total Revenues	<u>\$ 2,450.02</u>	<u>\$ 3,559.93</u>	<u>\$ 572.94</u>	<u>\$ 9,016.25</u>	<u>\$ 790.00</u>	<u>\$ 4,560.00</u>
<u>Expenditures</u>						
Instruction:						
Salaries						
Purchased Professional and Technical Services			\$ 572.94	\$ 9,016.25	\$ 790.00	\$ 4,560.00
Purchased Services						
Other Purchased Services						
Supplies						
Textbooks	<u>\$ 2,450.02</u>					
Total Instruction	<u>2,450.02</u>		<u>572.94</u>	<u>9,016.25</u>	<u>790.00</u>	<u>4,560.00</u>
Support Services:						
Professional and Technical Services		\$ 3,559.93				
Purchased Property Services						
Other Purchased Services						
Total Support Services		<u>3,559.93</u>				
Total Expenditures	<u>\$ 2,450.02</u>	<u>\$ 3,559.93</u>	<u>\$ 572.94</u>	<u>\$ 9,016.25</u>	<u>\$ 790.00</u>	<u>\$ 4,560.00</u>



SHORE REGIONAL HIGH SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ending June 30, 2012

	<u>No Child Left Behind</u>		<u>I.D.E.A.</u>		
	<u>Title I</u>	<u>Title II Part A</u>	<u>Part B Basic</u>	<u>Local Projects</u>	<u>Totals</u>
<u>Revenues</u>					
Local Sources				\$ 6,659.70	\$ 6,659.70
State Sources					20,949.14
Federal Sources	\$ 11,682.53	\$ 8,941.69	\$ 32,205.17		52,829.39
Total Revenues	\$ 11,682.53	\$ 8,941.69	\$ 32,205.17	\$ 6,659.70	\$ 80,438.23
<u>Expenditures</u>					
Instruction:					
Salaries			\$ 14,100.00		\$ 14,100.00
Purchased Professional and Technical Services					14,939.19
Purchased Services			14,517.00		14,517.00
Other Purchased Services		\$ 3,688.71			3,688.71
Supplies	\$ 11,247.54	2,000.00			13,247.54
Textbooks					2,450.02
Total Instruction	11,247.54	5,688.71	28,617.00		62,942.46
Support Services:					
Professional and Technical Services			3,588.17		7,148.10
Purchased Property Services				\$ 6,659.70	6,659.70
Other Purchased Services	434.99	3,252.98			3,687.97
Total Support Services	434.99	3,252.98	3,588.17	6,659.70	17,495.77
Total Expenditures	\$ 11,682.53	\$ 8,941.69	\$ 32,205.17	\$ 6,659.70	\$ 80,438.23

CAPITAL PROJECTS FUND  
DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

## SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the year ended June 30, 2012

<u>Project Title/Issue</u>	<u>Date</u>	<u>Original Appropriations</u>	<u>Expenditures To Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Replace the HVAC system including all incidental work	09/30/08	\$ 13,999,645.00	\$ 13,762,726.82	\$ 4,744.41	\$ 232,173.77
		<u>\$ 13,999,645.00</u>	<u>\$ 13,762,726.82</u>	<u>\$ 4,744.41</u>	<u>\$ 232,173.77</u>
Unexpended Balance					\$ 232,173.77
Less:					
Authorization Not Funded					<u>(645.00)</u>
Fund Balance (B-1)					<u>\$ 231,528.77</u>

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS

For the year ended June 30, 2012

Revenues and Other Financing Sources:	
Local Income - Interest	\$ 125.23
Total Revenues	<u>125.23</u>
Expenditures and Other Financing Sources:	
Expenditures:	
Purchased Professional and Technical Services	10,000.00
Construction Services	(12,897.59)
Other Objects	<u>7,642.00</u>
Total Expenditures	<u>4,744.41</u>
Other Financing Sources/(Uses):	
Transfer - Interest Earned in Capital Projects Fund	<u>(125.23)</u>
Total Expenditures and Other Financing Sources/(Uses)	<u>4,869.64</u>
Excess/(Deficiency) of Revenues	
Over/(Under) Expenditures	(4,744.41)
Fund Balance - July 1	<u>236,273.18</u>
Fund Balance - June 30	<u><u>\$ 231,528.77</u></u>

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## REPLACE THE HVAC SYSTEM INCLUDING ALL INCIDENTAL WORK

From inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Reimbursed	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:					
Bond Proceeds and Transfers	\$ 13,999,000.00			\$ 13,999,000.00	\$ 13,999,645.00
Total Revenues	13,999,000.00			13,999,000.00	13,999,645.00
Expenditures and Other Financing Sources:					
Purchased Professional and Technical Services	1,732,554.55	\$ 10,000.00		1,742,554.55	1,742,554.55
Construction Services	11,823,684.14	15,014.00	\$ 27,911.59	11,810,786.55	12,049,957.32
Other Objects	178,576.54	7,642.00		186,218.54	207,133.13
Total Expenditures	13,734,815.23	32,656.00	27,911.59	13,739,559.64	13,999,645.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 264,184.77	\$ (32,656.00)	\$ (27,911.59)	\$ 259,440.36	\$ 0.00
Additional Project Information:					
Project Number	4760-050-09-1000				
Grant Date	Not Applicable				
Bond Authorization Date	09/30/08				
Bonds Authorized	\$ 13,999,645.00				
Bonds Issued	13,999,000.00				
Original Authorization Cost	13,999,645.00				
Additional Authorization Cost	Not Applicable				
Revised Authorization Cost	Not Applicable				
Percentage Increase over Original Authorized Cost	Not Applicable				
Percentage Completion	98 %				
Original Target Completion Date	08/31/10				
Revised Target Completion Date	10/31/10				

## PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

### FOOD SERVICE FUND

This Fund provides for the operation of food services within the School District.

This section has already been included in Statements B-4, B-5, and B-6.

## FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund: This Agency Fund is used to account for student funds held at the schools.

Payroll Fund: This Agency Fund is used to account for the payroll transactions of the School District.

Unemployment Compensation Trust Fund: This Fund is used to account for assets to finance the cost of unemployment benefits.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS

For the fiscal year ended June 30, 2012

	Unemployment Compensation <u>Trust Fund</u>	Agency <u>Funds</u>	<u>Totals</u>
Assets:			
Cash and Cash Equivalents		\$ 166,926.28	\$ 166,926.28
Due From Agency	\$ 2,922.61		2,922.61
Due From General Operating Fund		1,711.18	1,711.18
		<hr/>	<hr/>
Total Assets	<u>\$ 2,922.61</u>	<u>\$ 168,637.46</u>	<u>\$ 171,560.07</u>
Liabilities:			
Due To Unemployment Trust Fund		\$ 2,922.61	\$ 2,922.61
Payable To Student Groups		160,731.30	160,731.30
Payroll Deductions and Withholdings		4,983.55	4,983.55
		<hr/>	<hr/>
Total Liabilities		<u>168,637.46</u>	<u>168,637.46</u>
Net Assets:			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 2,922.61</u>		<u>2,922.61</u>
		<hr/>	<hr/>
Total Net Assets	<u>2,922.61</u>		<u>2,922.61</u>
		<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 2,922.61</u>	<u>\$ 168,637.46</u>	<u>\$ 171,560.07</u>



SHORE REGIONAL HIGH SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS

For the fiscal year ended June 30, 2012

	Unemployment Compensation <u>Trust Fund</u>	<u>Totals</u>
Additions:		
Contributions:		
Plan Members	\$ 15,685.43	\$ 15,685.43
Board Contribution	<u>53,998.53</u>	<u>53,998.53</u>
Total Contributions	<u>69,683.96</u>	<u>69,683.96</u>
Deductions:		
Quarterly Contributions	4,613.36	4,613.36
Unemployment Claims	<u>66,242.60</u>	<u>66,242.60</u>
Total Deductions	<u>70,855.96</u>	<u>70,855.96</u>
Change in Net Assets	(1,172.00)	(1,172.00)
Net Assets - Beginning of Year	<u>4,094.61</u>	<u>4,094.61</u>
Net Assets - End of Year	<u><u>\$ 2,922.61</u></u>	<u><u>\$ 2,922.61</u></u>

SHORE REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

STUDENT ACTIVITY AGENCY FUND

For the fiscal year ended June 30, 2012

	Balance July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2012</u>
Senior High School:				
Student Activity Account	\$ 148,509.07	\$ 214,128.08	\$ 201,905.85	\$ 160,731.30
Athletic Fund	<u>                    </u>	<u>103,979.50</u>	<u>103,979.50</u>	<u>                    </u>
Total Assets	<u>\$ 148,509.07</u>	<u>\$ 318,107.58</u>	<u>\$ 305,885.35</u>	<u>\$ 160,731.30</u>

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## PAYROLL AGENCY FUND

## SCHEDULE OF RECEIPTS AND DISBURSEMENTS

For the fiscal year ended June 30, 2012

	Balance July 1, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2012</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 7,084.76	\$ 11,095,135.82	\$ 11,096,025.60	\$ 6,194.98
Due from General Operating Fund		<u>1,711.18</u>		<u>1,711.18</u>
Total Assets	<u>\$ 7,084.76</u>	<u>\$ 11,096,847.00</u>	<u>\$ 11,096,025.60</u>	<u>\$ 7,906.16</u>
<u>Liabilities</u>				
Due To/(From) Unemployment Trust Fund	\$ 4,094.61	\$ 2,922.56	\$ 4,094.56	\$ 2,922.61
Payroll Deductions and Withholdings	<u>2,990.15</u>	<u>11,093,924.44</u>	<u>11,091,931.04</u>	<u>4,983.55</u>
Total Liabilities	<u>\$ 7,084.76</u>	<u>\$ 11,096,847.00</u>	<u>\$ 11,096,025.60</u>	<u>\$ 7,906.16</u>

## LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF SERIAL BONDS

June 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2011</u>	<u>Current Year Retired</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>				
Replacement of the Heating, Ventilation and Air Conditioning System	10/07/09	\$ 13,999,000.00	09/15/12	540,000.00	2.00%			
			09/15/13	555,000.00	2.00%			
			09/15/14	570,000.00	2.25%			
			09/15/15	585,000.00	2.25%			
			09/15/16	600,000.00	2.50%			
			09/15/17	620,000.00	3.00%			
			09/15/18	640,000.00	3.00%			
			09/15/19	660,000.00	3.00%			
			09/15/20	680,000.00	3.25%			
			09/15/21	710,000.00	3.25%			
			09/15/22	735,000.00	3.25%			
			09/15/23	765,000.00	3.50%			
			09/15/24	795,000.00	3.75%			
			09/15/25	830,000.00	3.75%			
			09/15/26	865,000.00	4.00%			
			09/15/27	900,000.00	4.00%			
			09/15/28	940,000.00	4.00%			
			09/15/29	985,000.00	4.00%			
						\$ 13,500,000.00	\$ 525,000.00	\$ 12,975,000.00
						<u>\$ 13,500,000.00</u>	<u>\$ 525,000.00</u>	<u>\$ 12,975,000.00</u>

SHORE REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

June 30, 2012

<u>Purpose</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2012</u>
Various Equipment	4.20%	\$ 394,700.00	\$ 169,100.00		\$ 82,900.00	\$ 86,200.00
Various Equipment	8.10%	72,030.20	36,015.10		14,406.04	21,609.06
Buses	4.61%	144,826.00	87,441.08		27,816.69	59,624.39
Various Equipment	2.65%	401,000.00	331,000.00		80,000.00	251,000.00
Various Equipment	2.00 - 4.00%	384,000.00		\$ 384,000.00		384,000.00
			\$ 623,556.18	\$ 384,000.00	\$ 205,122.73	\$ 802,433.45

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE

## DEBT SERVICE FUND

For the fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/(Negative) Final To Actual
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 1,367,917.00		\$ 1,367,917.00	\$ 1,367,917.00	
State Sources:					
Debt Service Aid	<u>704,685.00</u>	<u></u>	<u>704,685.00</u>	<u>704,685.00</u>	<u></u>
Total Revenues	<u>2,072,602.00</u>	<u></u>	<u>2,072,602.00</u>	<u>2,072,602.00</u>	<u></u>
<u>Expenditures</u>					
Regular Debt Service:					
Interest	1,048,602.00		1,048,602.00	430,112.50	\$ 618,489.50
Redemption of Principal	<u>1,024,000.00</u>	<u></u>	<u>1,024,000.00</u>	<u>525,000.00</u>	<u>499,000.00</u>
Total Regular Debt Service	<u>2,072,602.00</u>	<u></u>	<u>2,072,602.00</u>	<u>955,112.50</u>	<u>1,117,489.50</u>
Total Expenditures	<u>2,072,602.00</u>	<u></u>	<u>2,072,602.00</u>	<u>955,112.50</u>	<u>1,117,489.50</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures				<u>1,117,489.50</u>	<u>1,117,489.50</u>
Other Financial Sources/(Uses):					
Operating Transfer In - Interest Income				<u>125.23</u>	<u>125.23</u>
Total Other Financial Sources/(Uses)				<u>125.23</u>	<u>125.23</u>
Excess/(Deficiency) of Revenues and Other Financial Sources Over/(Under) Expenditures				<u>1,117,614.73</u>	<u>1,117,614.73</u>
Fund Balance, July 1	<u>(1,008,419.98)</u>	<u></u>	<u>(1,008,419.98)</u>	<u>(1,008,419.98)</u>	<u></u>
Fund Balance, June 30	<u>\$ (1,008,419.98)</u>	<u>\$ 0.00</u>	<u>\$ (1,008,419.98)</u>	<u>\$ 109,194.75</u>	<u>\$ 1,117,614.73</u>
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
Budgeted Fund Balance	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

## STATISTICAL SECTION



## FINANCIAL TRENDS/INFORMATION SCHEDULES

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## NET ASSETS BY COMPONENT

LAST SEVEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012
Government Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 2,292,314.17	\$ 2,110,767.65	\$ 2,563,037.47	\$ 3,759,956.52	\$ (59,912.21)	\$ 3,210,097.60	\$ 2,922,669.86
Restricted	587,149.73	1,041,980.08	789,094.53	(317,568.47)	3,468,713.59	762,393.36	1,795,253.47
Unrestricted	11,237.59	(16,080.44)	55,755.01	(236,447.55)	(342,787.00)	(798,919.58)	215,175.98
Total Government Activities Net Assets	\$ 2,890,701.49	\$ 3,136,667.29	\$ 3,407,887.01	\$ 3,205,940.50	\$ 3,066,014.38	\$ 3,173,571.38	\$ 4,933,099.31
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 4,670.00	\$ 3,752.00	\$ 2,834.00	\$ 55,194.89	\$ 52,925.60	\$ 45,579.03	\$ 38,232.46
Unrestricted	(4,670.00)	(3,752.00)	4,038.94	(32,427.82)	(57,084.52)	(67,478.58)	(90,684.96)
Total Business-Type Activities Net Assets	\$	\$	\$ 6,872.94	\$ 22,767.07	\$ (4,158.92)	\$ (21,899.55)	\$ (52,452.50)
District-wide:							
Invested in Capital Assets, Net of Related Debt	\$ 2,296,984.17	\$ 2,114,519.65	\$ 2,565,871.47	\$ 3,815,151.41	\$ (6,986.61)	\$ 3,255,676.63	\$ 2,960,902.32
Restricted	587,149.73	1,041,980.08	789,094.53	(317,568.47)	3,468,713.59	762,393.36	1,795,253.47
Unrestricted	6,567.59	(19,832.44)	59,793.95	(268,875.37)	(399,871.52)	(866,398.16)	124,491.02
Total District Net Assets	\$ 2,890,701.49	\$ 3,136,667.29	\$ 3,414,759.95	\$ 3,228,707.57	\$ 3,061,855.46	\$ 3,151,671.83	\$ 4,880,646.81

SHORE REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST SEVEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012
Expenses:							
Governmental Activities:							
Instruction:							
Regular	\$ (4,867,380.07)	\$ (4,981,559.89)	\$ (5,330,477.24)	\$ (5,430,385.90)	\$ (5,840,533.52)	\$ (5,571,442.00)	\$ (5,902,339.03)
Special Education	(584,231.91)	(792,523.20)	(843,253.71)	(826,805.84)	(831,316.72)	(835,204.37)	(753,580.37)
Other Special Education	(94,895.91)	(49,252.67)	(4,048.11)	(3,443.43)	(3,598.53)	(3,674.11)	(10,911.52)
Other Instruction	(785,054.84)	(864,490.28)	(907,023.94)	(739,212.78)	(816,088.09)	(840,943.20)	(1,022,530.06)
Support Services:							
Tuition	(1,268,702.25)	(1,525,644.80)	(1,640,938.08)	(1,666,217.07)	(1,753,879.32)	(1,657,702.92)	(1,947,840.03)
Student and Instruction Related Services	(1,725,478.79)	(1,801,768.15)	(1,727,737.87)	(1,902,025.93)	(1,920,214.83)	(1,991,345.28)	(2,055,916.46)
School Administrative Services	(592,277.50)	(597,167.15)	(642,285.12)	(653,993.58)	(655,104.63)	(586,219.64)	(561,903.10)
General Administration	(862,891.97)	(440,488.10)	(371,097.75)	(557,977.51)	(539,455.88)	(508,149.65)	(476,171.35)
Central Services		(364,199.91)	(398,558.54)	(239,691.24)	(371,846.40)	(234,933.84)	(288,414.94)
Administrative Information Technology		(15,298.93)	(11,258.81)	(29,043.08)	(32,478.93)	(31,006.95)	(28,464.31)
Plant Operations and Maintenance	(1,338,433.36)	(1,567,822.44)	(1,559,061.68)	(1,573,997.35)	(1,475,333.92)	(1,361,543.15)	(1,498,830.63)
Pupil Transportation	(975,082.96)	(1,351,688.99)	(1,439,176.39)	(1,579,315.90)	(1,511,092.84)	(1,773,977.67)	(1,574,030.33)
Interest on Long-Term Debt				(5,625.00)	(294,981.00)	(443,732.09)	(426,082.39)
Unallocated Depreciation							
Total Governmental Activities Expenses	(13,094,429.56)	(14,351,904.51)	(14,874,917.24)	(15,207,714.61)	(16,045,924.61)	(15,839,874.85)	(16,527,014.52)
Business-Type Activities:							
Food Service	(308,738.00)	(332,065.81)	(314,640.96)	(205,712.31)	(219,992.27)	(234,889.69)	(202,440.56)
Total Business-Type Activities Expenses	(308,738.00)	(332,065.81)	(314,640.96)	(205,712.31)	(219,992.27)	(234,889.69)	(202,440.56)
Total District Expenses	\$ (13,403,167.56)	\$ (14,683,970.32)	\$ (15,189,558.20)	\$ (15,413,426.92)	\$ (16,265,916.88)	\$ (16,074,764.54)	\$ (16,729,455.08)
Program Revenues:							
Governmental Activities:							
Charges for Services:							
Instruction (Tuition)	\$ 25,000.00	\$ 64,888.00	\$ 40,000.00	\$ 20,000.00	\$ 30,000.00	\$ 20,000.00	\$ 58,222.22
Pupil Transportation	26,290.82	52,056.00	56,250.00	51,134.11	238,268.28	389,245.47	157,438.52
Operating Grants and Contributions	251,134.00	251,134.00	251,134.00	278,635.00	271,782.00		10,568.40
Capital Grants and Contributions		5,082.99					
Total Governmental Activities Program Revenues	302,424.82	373,160.99	347,384.00	349,769.11	540,050.28	409,245.47	226,229.14

SHORE REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST SEVEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012
Business-Type Activities:							
Charges for Services:							
Food Service	223,846.17	234,050.13	195,704.89	167,624.60	177,864.42	217,121.62	161,887.61
Total Business-Type Activities Program Revenues	223,846.17	234,050.13	195,704.89	167,624.60	177,864.42	217,121.62	161,887.61
Total District Program Revenues	\$ 526,270.99	\$ 607,211.12	\$ 543,088.89	\$ 517,393.71	\$ 717,914.70	\$ 626,367.09	\$ 388,116.75
Net (Expense)/Revenue:							
Governmental Activities	\$ (12,792,004.74)	\$ (13,978,743.52)	\$ (14,527,533.24)	\$ (14,857,945.50)	\$ (15,505,874.33)	\$ (15,430,629.38)	\$ (16,300,785.38)
Business-Type Activities	(84,891.83)	(98,015.88)	(118,986.07)	(38,087.71)	(42,127.85)	(17,768.07)	(40,552.95)
Total District-wide Net (Expense)/Revenue	\$ (12,876,896.57)	\$ (14,076,759.20)	\$ (14,646,489.31)	\$ (14,896,033.21)	\$ (15,548,002.18)	\$ (15,448,397.45)	\$ (16,341,338.33)
General Revenues and Other Changes in Net Assets:							
Governmental Activities:							
Property Taxes Levied for General Purposes, Net	\$ 11,284,762.00	\$ 12,051,366.00	\$ 12,845,237.00	\$ 13,151,046.00	\$ 13,677,088.00	\$ 14,104,171.00	\$ 14,386,255.00
Taxes Levied for Debt Service							1,367,917.00
Unrestricted Grants and Contributions	1,662,646.89	2,107,507.70	2,102,907.45	1,434,815.19	1,515,704.23	1,397,822.85	2,263,233.41
Investment Earnings	47,224.24	84,983.81	58,010.17	28,736.39	80,636.21	4,826.49	0.30
Miscellaneous Income	66,681.22	71,903.27	113,455.29	41,401.41	92,519.77	31,366.04	52,907.60
Transfers	(84,891.83)	(91,061.46)	(120,856.95)				(10,000.00)
Total Governmental Activities	12,956,422.52	14,224,709.32	14,798,752.96	14,655,998.99	15,365,948.21	15,538,186.38	18,050,313.31
Business-Type Activities:							
Investment Earnings		6,954.22	4,952.06	1,920.73	278.52	27.44	
Transfers	84,891.83	91,061.46	120,856.95	52,361.11			10,000.00
Total Business-Type Activities	84,891.83	98,015.68	125,809.01	53,981.84	278.52	27.44	10,000.00
Total District-wide	\$ 13,041,314.35	\$ 14,322,725.00	\$ 14,924,561.97	\$ 14,709,980.83	\$ 15,366,226.73	\$ 15,538,213.82	\$ 18,070,313.31
Changes in Net Assets:							
Governmental Activities	\$ 164,417.78	\$ 245,965.80	\$ 271,219.72	\$ (201,946.51)	\$ (139,926.12)	\$ 107,557.00	\$ 1,759,527.93
Business-Type Activities			6,872.94	15,894.13	(41,849.33)	(17,740.63)	(30,552.95)
Total District	\$ 164,417.78	\$ 245,965.80	\$ 278,092.66	\$ (186,052.38)	\$ (181,775.45)	\$ 89,816.37	\$ 1,728,974.98

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## FUND BALANCES, GOVERNMENTAL FUNDS

LAST SEVEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund:							
Reserved	\$ 576,893.77	\$ 1,041,980.08	\$ 789,094.28	\$ 284,059.89	\$ 263,344.34		
Unreserved	218,074.47	238,521.07	294,403.42	239,616.31	275,838.57		
Restricted						\$ 414,304.50	\$ 914,304.80
Assigned						111,815.68	540,225.15
Unassigned						578,460.99	534,146.88
Total General Fund	\$ 794,968.24	\$ 1,280,501.15	\$ 1,083,497.70	\$ 523,676.20	\$ 539,182.91	\$ 1,104,581.17	\$ 1,988,676.83
All Other Governmental Funds:							
Reserved	\$ 4,832.00				\$ 59,068.63		
Unreserved, Reported In:							
Capital Projects Fund				\$ (868,959.50)	2,951,825.49		\$ 231,528.77
Debt Service Fund				27,714.83	105,383.13	(1,008,419.98)	109,194.75
Restricted:							
Capital Projects Fund						\$ 236,273.18	\$ 231,528.77
Debt Service Fund							109,194.75
Total All Other Governmental Funds	\$ 4,832.00	\$ 0.00	\$ 0.00	\$ (841,244.67)	\$ 3,116,277.25	\$ (772,146.80)	\$ 340,723.52

SHORE REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Tax Levy	\$ 9,466,565.00	\$ 9,981,532.00	\$ 10,462,870.00	\$ 11,264,762.00	\$ 12,051,366.00	\$ 12,645,237.00	\$ 13,151,046.00	\$ 13,677,088.00	\$ 14,104,171.00	\$ 15,754,172.00
Other Local Government Units - Restricted						53,846.36				
Tuition Charges	24,246.00	30,865.00	24,587.50	25,000.00	64,886.00	40,000.00	20,000.00	30,000.00	20,000.00	58,222.22
Interest Earnings	9,455.19	4,274.45	19,245.25	46,481.67	84,993.81	58,010.17	22,886.37	3,062.70	1,140.11	5.17
Miscellaneous	64,363.63	109,064.95	59,786.32	93,714.66	122,964.12	115,858.93	79,835.54	408,284.77	424,297.89	194,300.14
State Sources	1,237,254.41	1,575,052.71	1,539,204.89	1,743,491.78	2,089,494.30	2,154,872.08	1,517,484.05	1,481,469.03	1,192,324.91	2,199,995.77
Federal Sources	182,916.64	172,626.10	155,230.02	170,289.11	274,230.39	189,169.37	195,966.14	306,017.20	205,497.94	73,806.04
<b>Total Revenues</b>	<b>10,984,800.87</b>	<b>11,873,415.21</b>	<b>12,280,923.98</b>	<b>13,343,739.22</b>	<b>14,687,936.62</b>	<b>15,266,993.91</b>	<b>14,987,218.10</b>	<b>15,905,921.70</b>	<b>15,947,431.85</b>	<b>18,280,501.34</b>
<b>Expenditures:</b>										
Instruction:										
Regular	3,038,401.27	3,085,871.48	3,240,858.90	3,476,806.30	3,507,116.07	3,809,396.68	3,898,305.70	4,045,346.36	3,672,367.16	3,656,060.68
Special	379,602.15	426,769.74	440,174.91	500,681.36	543,412.25	558,056.30	549,562.36	543,439.92	508,559.04	444,311.74
Other		14,557.00	16,254.00	64,789.67	46,749.44	1,092.81				
School-Sponsored/Other Instructional	601,350.11	596,607.55	585,081.61	631,756.75	660,813.89	692,554.32	703,208.70	778,462.18	802,528.84	908,445.64
Support Services and Undistributed Costs:										
Tuition	932,545.92	1,018,203.51	1,287,730.18	1,268,702.25	1,525,644.80	1,640,938.08	1,666,217.07	1,753,879.32	1,657,702.92	1,947,840.03
Student and Instruction Related Services	841,198.07	843,142.73	1,349,459.14	1,180,306.68	1,225,789.69	1,404,189.33	1,404,189.33	1,411,634.34	1,411,772.94	1,500,560.54
General Administration	346,571.57	394,583.79	380,997.46	499,030.41	437,842.87	371,675.76	421,651.39	382,189.92	329,401.59	312,438.05
School Administrative Services	638,637.28	618,045.50	447,479.83	430,628.46	445,614.00	485,989.47	502,166.30	480,159.35	387,603.05	375,875.45
Central Services			212,717.68	211,589.25	225,063.13	257,468.96	237,939.51	370,015.76	233,064.77	262,864.12
Admin. Information Technology			12,155.00	12,875.12	15,298.93	11,258.81	29,043.08	32,478.93	31,006.95	28,464.31
Plant Operations and Maintenance	1,209,236.14	1,289,654.48	1,282,178.71	1,366,206.29	1,493,799.77	1,483,542.49	1,562,648.25	1,463,468.95	1,348,580.92	1,458,285.67
Pupil Transportation	702,610.76	765,889.11	787,609.05	882,317.61	1,005,287.01	1,051,743.77	1,173,005.10	1,057,900.86	1,201,842.77	961,873.34
Business and Other Support Services	239,902.35	249,785.18								
Employee Benefits	1,848,446.29	2,172,316.64	2,163,471.58	2,522,930.42	2,945,701.02	3,134,798.69	2,814,256.84	3,169,964.81	3,455,315.48	3,224,022.91
Special Schools		211.75								
Capital Outlay	63,320.13	46,515.38	92,572.87	133,480.65	315,424.24	618,834.58	2,056,196.84	10,843,029.16	3,113,221.72	637,380.38
Special Revenue	241,930.52	197,204.52								
Debt Service:										
Principal										
Interest and Other Charges										
<b>Total Expenditures</b>	<b>11,043,752.56</b>	<b>11,719,358.36</b>	<b>12,193,440.92</b>	<b>13,182,102.22</b>	<b>14,517,169.65</b>	<b>15,343,140.41</b>	<b>17,018,390.47</b>	<b>26,331,969.86</b>	<b>19,270,457.64</b>	<b>16,673,535.36</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(58,951.69)</b>	<b>154,056.85</b>	<b>67,483.06</b>	<b>161,637.00</b>	<b>170,766.97</b>	<b>(75,146.50)</b>	<b>(2,031,172.37)</b>	<b>(10,426,048.16)</b>	<b>(3,323,025.79)</b>	<b>1,606,965.98</b>
<b>Other Financing Sources/(Uses):</b>										
Proceeds From Borrowing	161,946.00	300,000.00	38,103.00	300,000.00	400,995.40			13,999,000.00		400,000.00
Capital Leases (Non-Budgeted)								400,000.00		
Interest	1,250.00									
Transfers In				60,970.78	5,082.99		27,714.83	77,668.30	3,686.38	125.23
Transfers Out	(271,200.00)	(36,600.00)	(65,219.95)	(145,862.61)	(96,144.45)	(120,856.95)	(14,464.83)	(77,591.51)	(3,686.38)	(10,125.23)
<b>Total Other Financing Sources/(Uses)</b>	<b>(108,004.00)</b>	<b>263,400.00</b>	<b>(27,116.95)</b>	<b>215,108.17</b>	<b>309,933.94</b>	<b>(120,856.95)</b>	<b>13,250.00</b>	<b>14,399,076.79</b>		<b>390,000.00</b>
<b>Net Change in Fund Balances</b>	<b>\$ (166,955.69)</b>	<b>\$ 417,456.85</b>	<b>\$ 40,366.11</b>	<b>\$ 376,745.17</b>	<b>\$ 480,700.91</b>	<b>\$ (197,003.45)</b>	<b>\$ (2,017,922.37)</b>	<b>\$ 3,973,028.63</b>	<b>\$ (3,323,025.79)</b>	<b>\$ 1,996,965.98</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>										
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

\* Other Financing Sources/(Uses) not available

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest</u> <u>Earned on</u> <u>Capital Reserve</u> <u>Account</u>	<u>Tuition</u> <u>from</u> <u>Individuals</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Courtesy</u> <u>Busing</u>	<u>Miscellaneous</u>	<u>Annual</u> <u>Totals</u>
2003	\$ 8,190.24	\$ 1,264.95	\$ 24,246.00		\$ 47,942.19	\$ 16,421.44	\$ 98,064.82
2004	4,149.08	125.37	30,865.00	\$ 30,865.38	37,944.00	40,255.57	144,204.40
2005	19,145.08	100.17	24,587.50	8,321.70	31,555.12	19,909.50	103,619.07
2006	46,262.24	219.43	25,000.00	28,922.70	26,290.82	37,758.57	164,453.76
2007	84,700.46	293.35	64,888.00	359.82	52,056.00	70,548.30	272,845.93
2008	55,308.41	2,701.76	40,000.00	18,590.84	56,250.00	25,518.09	198,369.10
2009	14,211.38	60.18	20,000.00	14,225.32	51,134.11	7,175.91	106,806.90
2010	2,865.70	179.00	30,000.00	63,184.78	238,268.28	24,767.70	359,265.46
2011	1,134.93	5.18	20,000.00	11,782.87	389,245.47	9,744.78	431,913.23
2012	4.87	0.30	58,222.22	10,533.99	157,438.52	19,542.70	245,742.60

Source: District records

## REVENUE CAPACITY INFORMATION



SHORE REGIONAL HIGH SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(UNAUDITED)

MONMOUTH BEACH BOROUGH

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2003	\$ 5,220,000	\$ 349,978,700	\$ -	-	\$ 11,276,900	-	\$ -
2004	4,480,500	357,679,100	-	-	11,276,900	-	-
2005	14,116,300	1,178,555,900	-	-	30,685,100	-	-
2006	13,824,300	1,186,508,500	-	-	30,475,500	-	-
2007	15,683,600	1,194,502,400	-	-	30,062,200	-	-
2008	15,067,300	1,201,782,600	-	-	30,475,500	-	-
2009	15,598,000	1,214,874,100	-	-	30,475,500	-	-
2010	16,764,900	1,211,963,400	-	-	30,058,200	-	-
2011	17,352,100	1,214,679,400	-	-	30,058,200	-	-
2012	18,140,900	1,212,109,300	-	-	29,959,300	-	-
						Total	
						Direct	
						School	
						Tax Rate <sup>b</sup>	
		Less:			Estimated Actual		
		Tax-Exempt	Public	Net Valuation	(County		
		Property	Utilities <sup>a</sup>	Taxable	Equalized) Value		
2003	\$ 384,472,600	\$ 17,997,000	\$ 253,030	\$ 366,728,630	\$ 654,867,518	0.922	
2004	391,433,500	17,997,000	195,923	373,632,423	799,623,995	0.925	
2005	1,241,354,300	17,997,000	399,027	1,223,756,327	940,972,741	0.294	
2006	1,281,489,400	50,681,100	365,292	1,231,173,592	1,210,723,034	0.306	
2007	1,291,208,800	50,960,600	335,760	1,240,583,960	1,397,874,542	0.312	
2008	1,247,325,400	51,071,400	341,339	1,196,595,339	1,450,654,540	0.319	
2009	1,260,947,600	50,674,800	373,768	1,210,646,568	1,457,057,935	0.325	
2010	1,258,786,500	50,674,800	386,741	1,208,498,441	1,423,404,577	0.338	
2011	1,262,089,700	51,072,600	320,759	1,211,337,859	1,368,632,937	0.337	
2012	1,260,209,500	51,072,600	326,756	1,209,463,656	1,336,713,919	0.343	

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
b Tax rates are per \$100  
N/A At the time of CAFR Completion, this data was not yet available

SHORE REGIONAL HIGH SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(UNAUDITED)

OCEANPORT BOROUGH

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2003	\$ 8,897,500	\$ 410,703,800	\$ 188,400	\$ 8,400	\$ 69,699,600	\$ -	\$ 256,500
2004	8,920,900	415,371,700	188,400	8,400	69,699,600	-	256,500
2005	7,842,800	418,695,100	188,400	8,400	64,462,600	-	256,500
2006	28,674,500	1,145,333,000	499,500	9,000	156,097,600	-	669,800
2007	28,480,600	1,149,894,400	499,500	9,000	156,003,000	-	669,800
2008	31,764,900	1,154,034,200	499,500	9,000	155,484,500	-	669,800
2009	24,639,300	1,174,226,000	499,500	9,000	155,282,800	-	669,800
2010	20,113,000	902,441,200	437,100	7,500	121,572,000	-	-
2011	18,635,700	907,075,300	437,100	7,500	121,572,100	-	-
2012	17,184,500	910,352,200	437,100	7,500	121,572,100	-	-
					Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>	
2003	\$ 670,845,000	\$ 181,090,800	\$ 584,328	\$ 490,338,528	\$ 722,438,729	1.172	
2004	675,635,300	181,189,800	447,642	494,893,142	868,022,177	1.224	
2005	672,643,600	181,189,800	397,979	491,851,779	956,310,122	1.309	
2006	1,724,520,100	393,236,700	704,153	1,331,987,553	1,102,122,205	0.507	
2007	1,727,792,000	392,235,700	717,905	1,336,274,205	1,240,459,924	0.522	
2008	1,342,461,900	393,915,600	787,086	949,333,386	1,305,243,150	0.566	
2009	1,355,326,400	393,262,900	859,806	962,923,306	1,324,386,267	0.573	
2010	1,044,570,900	381,384,700	1,383,102	664,569,302	1,302,431,303	0.764	
2011	1,047,727,700	382,217,700	636,765	666,146,765	1,212,620,231	0.762	
2012	1,049,553,400	382,217,700	638,920	667,974,620	1,194,628,446	0.761	

Less:

Total Assessed  
Value

Tax-Exempt  
Property

Public  
Utilities<sup>a</sup>

Net Valuation  
Taxable

Estimated Actual  
(County  
Equalized) Value

Total  
Direct  
School  
Tax Rate<sup>b</sup>

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
b Tax rates are per \$100  
N/A At the time of CAFR Completion, this data was not yet available

SHORE REGIONAL HIGH SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(UNAUDITED)

SEA BRIGHT BOROUGH

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2003	\$ 2,006,000	\$ 150,429,600	\$ -	\$ -	\$ 43,144,300	\$ -	\$ 3,192,000
2004	4,673,800	393,108,400	-	-	95,207,200	-	6,811,500
2005	17,381,000	380,880,800	-	-	96,249,300	-	6,315,000
2006	15,145,000	396,274,800	-	-	95,361,500	-	6,315,000
2007	11,789,600	413,847,100	-	-	88,605,000	-	5,555,100
2008	10,017,400	419,722,500	-	-	88,474,800	-	5,555,100
2009	9,226,400	421,784,300	-	-	88,810,100	-	5,184,800
2010	4,686,400	423,001,400	-	-	88,189,800	-	4,964,800
2011	4,111,400	423,328,700	-	-	86,849,100	-	4,964,800
2012	3,255,100	425,051,100	-	-	84,860,100	-	4,814,800
						Total	
	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Direct School Tax Rate <sup>b</sup>	
2003	\$ 206,291,700	\$ 7,519,800	\$ 268,662	\$ 199,040,562	\$ 327,931,178	0.409	
2004	522,686,900	22,886,000	422,281	500,223,181	389,996,011	0.178	
2005	523,712,100	22,886,000	400,508	501,226,608	504,949,264	0.128	
2006	535,982,300	22,886,000	303,047	513,399,347	646,747,974	0.160	
2007	544,272,800	24,476,000	293,725	520,090,525	897,871,227	0.166	
2008	523,769,800	23,311,300	320,050	500,778,550	870,251,863	0.171	
2009	525,005,600	24,901,300	405,498	500,509,798	830,401,713	0.171	
2010	520,842,400	24,901,300	417,603	496,358,703	773,609,622	0.183	
2011	519,254,000	25,901,300	382,031	493,734,731	764,116,137	0.209	
2012	517,981,100	25,901,300	356,718	492,436,518	766,356,363	0.189	

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
b Tax rates are per \$100  
N/A At the time of CAFR Completion, this data was not yet available

SHORE REGIONAL HIGH SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(UNAUDITED)

WEST LONG BRANCH BOROUGH

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2003	\$ 6,003,800	\$ 520,326,800	\$ 304,800	15,000	\$ 146,459,600	\$ 2,111,600	\$ 966,000
2004	6,087,600	521,308,400	973,200	20,300	147,193,800	1,506,000	966,000
2005	7,072,100	523,224,400	973,200	12,800	135,726,000	1,506,000	966,000
2006	13,726,300	1,071,212,300	2,489,900	157,500	264,299,200	3,254,900	1,907,600
2007	12,951,100	1,075,993,300	1,625,900	17,600	262,126,700	3,254,900	1,907,600
2008	11,834,400	1,081,943,400	1,625,900	17,600	254,243,700	3,254,900	1,907,600
2009	14,361,500	1,080,916,700	1,625,900	17,600	254,648,500	3,254,900	1,907,600
2010	18,132,300	1,082,524,800	1,625,900	17,600	247,955,700	6,254,900	1,907,600
2011	16,116,200	1,075,233,300	1,625,900	17,600	239,584,400	3,254,900	8,013,700
2012	15,459,600	1,068,747,000	1,625,900	17,600	235,078,900	3,254,900	28,007,600

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2003	\$ 802,160,700	\$ 125,973,100	\$ 1,020,828	\$ 677,208,428	\$ 844,375,279	1.100
2004	803,844,000	125,788,700	928,605	678,983,905	930,190,636	1.184
2005	795,269,200	125,788,700	769,833	670,250,333	1,057,972,343	1.278
2006	1,573,532,100	216,484,400	1,125,666	1,358,173,366	1,229,675,960	0.659
2007	1,575,584,200	217,687,100	1,104,472	1,358,981,572	1,431,702,826	0.688
2008	1,354,827,500	216,715,200	1,121,950	1,139,234,250	1,467,642,654	0.712
2009	1,356,732,700	218,016,100	1,213,791	1,139,930,391	1,441,100,431	0.729
2010	1,355,418,800	220,000,700	1,260,759	1,136,678,859	1,378,188,012	0.732
2011	1,343,846,000	220,417,000	1,052,134	1,124,481,134	1,329,061,308	0.709
2012	1,352,191,500	220,417,000	1,009,980	1,132,784,480	1,235,297,174	0.710

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
b Tax rates are per \$100  
N/A At the time of CAFR Completion, this data was not yet available

SHORE REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

Fiscal Year Ending June 30,	Monmouth Beach School District Direct Rate (From J-6)			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Borough of Monmouth Beach	Regional	Monmouth		Fire District
					School Rate	County		
2003	0.922	-	0.922	0.782	0.621	0.742	-	3.067
2004	0.925	-	0.925	0.801	0.613	0.798	-	3.137
2005	0.294	-	0.294	0.257	0.211	0.257	-	1.019
2006	0.306	-	0.306	0.274	0.235	0.292	-	1.107
2007	0.312	-	0.312	0.279	0.256	0.304	-	1.151
2008	0.319	-	0.319	0.297	0.253	0.296	-	1.165
2009	0.325	-	0.325	0.307	0.270	0.297	-	1.199
2010	0.338	-	0.338	0.318	0.279	0.305	-	1.240
2011	0.337	-	0.337	0.323	0.322	0.305	-	1.287
2012	0.343	-	0.343	0.328	0.309	0.307	-	1.287

Source: Municipal Tax Assessor

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

b Rates for debt service are based on each year's requirements.

N/A At the time of CAFR Completion, this data was not yet available

SHORE REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

Fiscal Year Ending June 30,	Oceanport School District Direct Rate (From J-6)				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Borough of Oceanport	Regional School Rate	Monmouth County	Fire District		
2003	1.172	-	1.172	0.650	0.561	0.622	-	3.005	
2004	1.224	-	1.224	0.651	0.642	0.664	-	3.181	
2005	1.309	-	1.309	0.680	0.643	0.659	-	3.291	
2006	0.507	-	0.507	0.305	0.244	0.250	-	1.306	
2007	0.522	-	0.522	0.332	0.238	0.254	-	1.346	
2008	0.566	-	0.566	0.360	0.234	0.251	-	1.411	
2009	0.573	-	0.573	0.380	0.262	0.255	-	1.470	
2010	0.764	-	0.764	0.519	0.357	0.344	-	1.984	
2011	0.762	-	0.762	0.528	0.419	0.332	-	2.041	
2012	0.761	-	0.761	0.528	0.422	0.338	-	2.049	

Source: Municipal Tax Assessor

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

b Rates for debt service are based on each year's requirements.

N/A At the time of CAFR Completion, this data was not yet available

SHORE REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

Fiscal Year Ending June 30,	Sea Bright School District Direct Rate (From J-6)				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Direct School Tax Rate	Borough of Sea Bright	Regional School Rate	Monmouth County	Fire District		
2003	0.409	-	0.409	1.249	0.682	0.684	-	3.024	
2004	0.178	-	0.178	0.543	0.267	0.291	-	1.279	
2005	0.128	-	0.128	0.573	0.278	0.336	-	1.315	
2006	0.160	-	0.160	0.592	0.299	0.373	-	1.424	
2007	0.166	-	0.166	0.622	0.351	0.454	-	1.593	
2008	0.171	-	0.171	0.648	0.417	0.423	-	1.659	
2009	0.171	-	0.171	0.677	0.347	0.407	-	1.602	
2010	0.183	-	0.183	0.706	0.356	0.399	-	1.644	
2011	0.209	-	0.209	0.739	0.329	0.412	-	1.689	
2012	0.189	-	0.189	0.766	0.411	0.431	-	1.797	

Source: Municipal Tax Assessor

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

b Rates for debt service are based on each year's requirements.

N/A At the time of CAFR Completion, this data was not yet available

# SHORE REGIONAL HIGH SCHOOL DISTRICT

## DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

Fiscal Year Ending June 30.	West Long Branch School District Direct Rate (From J-6)				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Borough of West Long Branch	Regional School Rate	Monmouth County	Fire District		
2003	1.100	-	1.100	0.530	0.510	0.517	-	2.657	
2004	1.184	-	1.184	0.600	0.535	0.510	-	2.829	
2005	1.278	-	1.278	0.684	0.582	0.526	-	3.070	
2006	0.659	-	0.659	0.355	0.313	0.267	-	1.594	
2007	0.688	-	0.688	0.384	0.325	0.284	-	1.681	
2008	0.712	-	0.712	0.404	0.337	0.275	-	1.728	
2009	0.729	-	0.729	0.436	0.352	0.272	-	1.789	
2010	0.732	-	0.732	0.475	0.366	0.276	-	1.849	
2011	0.709	-	0.709	0.502	0.394	0.275	-	1.880	
2012	0.710	-	0.710	0.524	0.386	0.267	-	1.887	

Source: Municipal Tax Assessor

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.
- b Rates for debt service are based on each year's requirements.
- N/A At the time of CAFR Completion, this data was not yet available



SHORE REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

MONMOUTH BEACH BOROUGH

	2012			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Individual Taxpayer #1	\$ 8,847,600	1	0.70%	\$	1	
Individual Taxpayer #2	6,742,600	2	0.53%		2	
Individual Taxpayer #3	4,150,700	3	0.33%		3	
Individual Taxpayer #4	3,329,500	4	0.26%	NO DATA AVAILABLE	4	
Individual Taxpayer #5	3,326,500	5	0.26%		5	
Individual Taxpayer #6	3,278,300	6	0.26%		6	
Individual Taxpayer #7	3,243,200	7	0.26%		7	
Individual Taxpayer #8	3,060,000	8	0.24%		8	
Individual Taxpayer #9	3,011,800	9	0.24%		9	
Individual Taxpayer #10	2,854,000	10	0.23%		10	
Total	\$ 41,844,200		3.31%	\$		

Source: Municipal Tax Assessor

## PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

## SEA BRIGHT BOROUGH

Individual Taxpayer #1  
Individual Taxpayer #2  
Individual Taxpayer #3  
Individual Taxpayer #4  
Individual Taxpayer #5  
Individual Taxpayer #6  
Individual Taxpayer #7  
Individual Taxpayer #8  
Individual Taxpayer #9  
Individual Taxpayer #10



SHORE REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 9,466,565	\$ 9,466,565	100.00%	-
2004	9,981,532	9,981,532	100.00%	-
2005	10,462,870	10,462,870	100.00%	-
2006	11,264,762	11,264,762	100.00%	-
2007	12,051,366	12,051,366	100.00%	-
2008	12,645,237	12,645,237	100.00%	-
2009	13,151,046	13,151,046	100.00%	-
2010	13,677,088	13,677,088	100.00%	-
2011	14,104,171	14,104,171	100.00%	-
2012	15,754,172	15,754,172	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

- a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

## DEBT CAPACITY INFORMATION

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	Governmental Activities			Bond Anticipation Notes (BANs)		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Capital Leases		Capital Leases				
2003	-	-	\$ 375,084	-	-	-	\$ 375,084	0.20%	19.22	
2004	-	-	464,399.00	-	-	-	464,399.00	0.21%	23.89	
2005	-	-	312,216.86	-	-	-	312,216.86	N/A	16.03	
2006	-	-	412,737.83	-	-	-	412,737.83	N/A	21.24	
2007	-	-	585,762.35	-	-	-	585,762.35	N/A	N/A	
2008	-	-	377,924.49	-	-	-	377,924.49	0.05%	19.23	
2009	-	-	765,993.23	-	-	-	765,993.23	N/A	39.33	
2010	13,999,000	-	1,032,944.00	-	-	-	15,031,944.00	2.17%	769.88	
2011	13,500,000	-	623,556.18	-	-	-	14,123,556.18	2.00%	758.52	
2012	12,975,000	-	802,433.45	-	-	-	13,777,433.45	1.74%	739.93	

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan ("ERIP") refunding

N/A At the time of CAFR completion, data was not yet available

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Fiscal Year Ending June 30.</u>	<u>General Bonded Debt Outstanding</u>			<u>Percentage of Actual Taxable Value<sup>a</sup> of Property</u>	<u>Per Capita<sup>b</sup></u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>		
2003	None	None	None	N/A	N/A
2004	None	None	None	N/A	N/A
2005	None	None	None	N/A	N/A
2006	None	None	None	N/A	N/A
2007	None	None	None	N/A	N/A
2008	None	None	None	N/A	N/A
2009	None	None	None	N/A	N/A
2010	\$ 13,999,000.00	None	\$ 13,999,000.00	0.33%	N/A
2011	13,500,000.00	None	13,500,000.00	0.29%	N/A
2012	12,975,000.00	None	12,975,000.00	0.29%	N/A

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.



## SHORE REGIONAL HIGH SCHOOL DISTRICT

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2012  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable<sup>a</sup></u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid with Property Taxes:			
Monmouth Beach Borough	\$ 4,733,250.00	100.00	\$ 4,733,250.00
Oceanport Borough	29,293,794.00	100.00	29,293,794.00
Sea Bright Borough	5,438,806.00	100.00	5,438,806.00
West Long Branch Borough	11,556,488.00	100.00	11,556,488.00
Monmouth County General Obligation Debt :			
Monmouth Beach Borough		1.216734	5,824,267.24
Oceanport Borough		1.013344	4,850,679.17
Sea Bright Borough		0.500111	2,393,933.36
West Long Branch Borough		1.305542	6,249,373.74
Subtotal, Overlapping Debt			70,340,591.51
Shore Regional High District Direct Debt			12,975,000.00
Total Direct and Overlapping Debt			<u>\$ 83,315,591.51</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.  
Debt Outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.  
This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Monmouth Beach Borough, Oceanport Borough, Sea Bright Borough and West Long Branch Borough .  
This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS  
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2010		Total	Monmouth Beach Borough	Oceanport Borough	Sea Bright Borough	West Long Branch Borough
	201	\$ 4,532,995,902	\$ 1,336,713,919	\$ 1,194,628,446	\$ 766,356,363	\$ 1,235,297,174
Equalized Valuation Basis	2011	4,674,430,613	1,368,632,937	1,212,620,231	764,116,137	1,329,061,308
	2010	<u>4,877,633,514</u>	<u>1,423,404,577</u>	<u>1,302,431,303</u>	<u>773,609,622</u>	<u>1,378,188,012</u>
(A)		\$ 14,085,060,029	\$ 4,128,751,433	\$ 3,709,679,980	\$ 2,304,082,122	\$ 3,942,546,494
Average Equalized Valuation of Taxable Property	(A/3)	\$ 4,695,020,010				
Debt Limit (3% of Average Equalization Value)	(B)	140,850,600				
Total Net Debt Applicable To Limit	(C)	<u>12,975,000</u>				
Legal Debt Margin	(B-C)	\$ 153,825,600				
Fiscal Year						
		2003	2004	2005	2006	2007
Debt Limit						
Total Net Debt Applicable To Limit		\$ 17,206,974	\$ 18,337,692	\$ 22,227,113	\$ 31,231,839	\$ 114,109,832
		Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Legal Debt Margin		\$ 17,206,974	\$ 18,337,692	\$ 22,227,113	\$ 31,231,839	\$ 114,109,832
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		2008	2009	2010	2011	2012
Debt Limit						
Total Net Debt Applicable To Limit		\$ 130,995,360	\$ 149,380,978	\$ 149,380,978	\$ 146,179,977	\$ 140,850,600
		Not Applicable	Not Applicable	13,999,000	13,500,000	12,975,000
Legal Debt Margin		\$ 130,995,360	\$ 149,380,978	\$ 163,379,978	\$ 159,679,977	\$ 153,825,600
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit					9.24%	9.21%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District, other percentage limits would be applicable for other District types.

## DEMOGRAPHIC AND ECONOMIC STATISTICS

SHORE REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

MONMOUTH BEACH BOROUGH

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2003	3,622	156,325,520	43,160	4.6%
2004	3,617	165,600,728	45,784	3.8%
2005	3,599	N/A	N/A	3.6%
2006	3,574	N/A	N/A	4.1%
2007	N/A	N/A	N/A	N/A
2008	3,648	192,840,576	52,862	3.8%
2009	3,595	N/A	N/A	N/A
2010	3,571	188,770,202	52,862	7.9%
2011	3,279	187,201,258	57,091	8.1%
2012	3,282	200,494,098	61,089	8.1%

Source:

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A At the time of CAFR completion, data was not yet available.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)  
OCEANPORT BOROUGH

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2003	5,831	251,665,960	43,160	2.7%
2004	5,811	266,050,824	45,784	2.3%
2005	5,786	N/A	N/A	2.1%
2006	5,751	N/A	N/A	2.2%
2007	N/A	N/A	N/A	N/A
2008	5,899	196,767,044	33,356	2.3%
2009	5,807	N/A	N/A	N/A
2010	5,730	191,129,820	33,356	4.3%
2011	5,832	210,094,767	36,024	4.3%
2012	5,837	257,224,916	44,068	4.4%

Source:

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A At the time of CAFR completion, data was not yet available.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)  
SEA BRIGHT BOROUGH

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2003	1,817	78,421,720	43,160	6.3%
2004	1,805	82,640,120	45,784	5.2%
2005	1,794	N/A	N/A	4.9%
2006	1,799	N/A	N/A	5.0%
2007	N/A	N/A	N/A	N/A
2008	1,856	83,642,496	45,066	5.1%
2009	1,818	N/A	N/A	5.9%
2010	1,808	81,479,328	45,066	9.6%
2011	1,412	68,723,847	48,671	9.7%
2012	1,414	71,466,388	50,542	9.8%

Source:

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A At the time of CAFR completion, data was not yet available.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

WEST LONG BRANCH BOROUGH

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2003	8,249	356,026,840	43,160	5.6%
2004	8,211	375,932,424	45,784	4.6%
2005	8,301	N/A	N/A	4.3%
2006	8,312	N/A	N/A	4.4%
2007	N/A	N/A	N/A	N/A
2008	8,254	228,231,354	27,651	4.6%
2009	8,258	N/A	N/A	5.2%
2010	8,416	232,710,816	27,651	8.5%
2011	8,097	241,801,359	29,863	8.6%
2012	8,105	261,403,484	32,252	8.7%

Source:

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A At the time of CAFR completion, data was not yet available.

## PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

MONMOUTH BEACH BOROUGH

	2011			2012		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
<u>Employer</u>						
		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

Source: \_\_\_\_\_



## PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

OCEANPORT BOROUGH

Source: \_\_\_\_\_

## PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

## SEA BRIGHT BOROUGH

[illegible]

Source: \_\_\_\_\_

## PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

## WEST LONG BRANCH BOROUGH

	2011			2012		
	<u>Percentage of Total Municipal Employment</u>			<u>Percentage of Total Municipal Employment</u>		
<u>Employer</u>	<u>Employees</u>	<u>Rank (Optional)</u>		<u>Employees</u>	<u>Rank (Optional)</u>	
		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

Source: \_\_\_\_\_

## OPERATING INFORMATION

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction:										
Regular	51.00	48.00	50.00	51.00	50.00	51.00	51.00	51.00	46.00	47.00
Special Education	8.00	9.00	10.00	9.00	9.00	9.00	8.00	9.00	8.00	9.00
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	9.00	9.00	9.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00
General Administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
School Administrative Services	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other Administrative Services										
Central Services	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Administrative Information Technology										
Plant Operations and Maintenance	1.50	2.50	2.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Pupil Transportation	12.00	14.00	14.00	12.00	12.00	12.00	14.00	14.00	16.00	17.00
Other Support Services	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.00	6.00	6.50
Special Schools										
Food Service	6.00	6.50	6.50	6.50	6.50	6.50				
Child Care										
Total	<u>105.50</u>	<u>107.00</u>	<u>110.00</u>	<u>110.00</u>	<u>109.00</u>	<u>110.00</u>	<u>104.50</u>	<u>104.00</u>	<u>99.00</u>	<u>102.50</u>

Source: District Personnel Records

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## OPERATING STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio Senior High School</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>d</sup></u>	<u>Percentage Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2003	648	10,316,998	12,264	1.10%	56	10.3	656.6	635	1.61%	96.73%
2004	696	10,801,822	12,365	0.82%	59	10.4	687.0	654	4.63%	95.24%
2005	721	11,552,154	12,346	-0.15%	57	11.7	705.9	673	2.75%	95.27%
2006	723	11,963,966	12,597	2.03%	60	11.9	762.0	683	7.95%	89.63%
2007	723	12,765,265	13,440	6.69%	59	12.1	763.0	723	0.13%	94.76%
2008	730	14,481,361	13,371	-0.51%	60	12.2	753.2	723	-1.28%	95.99%
2009	715	14,727,935	14,726	10.13%	60	11.9	737.7	708	-2.06%	95.97%
2010	728	15,199,504	15,689	6.54%	60	12.1	675.7	646	-8.41%	95.58%
2011	698	14,799,673	15,276	-2.63%	54	12.9	657.1	631	-2.75%	95.98%
2012	671	14,417,132	14,881	-2.59%	56	12.0	646.7	624	-1.58%	96.47%

Source: District records

Note: Enrollment based on annual October District count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

SHORE REGIONAL HIGH SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>District/Building</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
High School:										
Shore Regional High School (1969)										
Square Feet	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Capacity (Students)	716	716	716	716	716	716	716	716	716	716
Enrollment	648	696	721	723	723	730	730	728	698	671

Other:

Athletic Building (2006)  
Square Feet

Number of Schools at June 30, 2012

Senior High School = 1

Other = 1

108

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.

Enrollment is based on the annual October District count.

## SHORE REGIONAL HIGH SCHOOL DISTRICT

## SCHEDULE OF REQUIRED MAINTENANCE

LAST TEN FISCAL YEARS  
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

\*School Facilities

	<u>Project # (s)</u>	<u>Shore Regional High School</u>	<u>Total</u>
2003	N/A	\$ 110,993.37	\$ 110,993.37
2004	N/A	140,216.32	140,216.32
2005	N/A	103,793.79	103,793.79
2006	N/A	70,396.00	70,396.00
2007	N/A	96,918.72	96,918.72
2008	N/A	110,909.62	110,909.62
2009	N/A	165,468.00	165,468.00
2010	N/A	66,665.94	66,665.94
2011	N/A	70,104.82	70,104.82
2012	N/A	<u>133,211.56</u>	<u>133,211.56</u>
Total School Facilities		<u>\$ 1,068,678.14</u>	<u>\$ 1,068,678.14</u>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26-1.3)

Source: District records





## SINGLE AUDIT SECTION

Robert H. Hutchins, CPA, CVA, CFF  
Eugene M. Farrell, CPA, RMA, CFP  
Robert W. Allison, CPA, RMA  
Alan E. Meyer, CPA/ABV, CFF  
Joann DiLieto, CPA

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REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and  
Members of the Board of Education  
Shore Regional High School District  
County of Monmouth

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Shore Regional High School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education of the Shore Regional High School District's basic financial statements and have issued our report thereon dated August 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Shore Regional High School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Shore Regional High School Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Shore Regional High School Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Shore Regional High School Board of Education's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is

The Honorable President and  
Members of the Board of Education  
Shore Regional High School District  
County of Monmouth  
Page 2

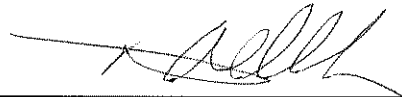
a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Shore Regional High School Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended for the information and use of management, the Shore Regional High School Board of Education, others within the entity, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.



---

Robert W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

August 21, 2012

# Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Exhibit K-2

Page 1 of 3

Robert H. Hutchins, CPA, CVA, CFF  
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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
Members of the Board of Education  
Shore Regional High School District  
County of Monmouth

### Compliance

We have audited the compliance of the Board of Education of the Shore Regional High School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. Shore Regional High School Board of Education's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Shore Regional High School Board of Education's management. Our responsibility is to express an opinion on the Shore Regional High School Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Shore Regional High School Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Shore Regional High School Board of Education's compliance with those requirements.

The Honorable President and  
Members of the Board of Education  
Shore Regional High School District  
County of Monmouth  
Page 2

In our opinion, the Board of Education of the Shore Regional High School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

#### Internal Control Over Compliance

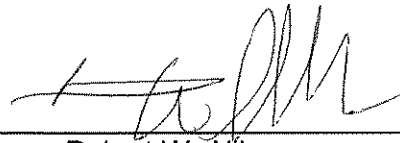
The management of the Board of Education of the Shore Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Shore Regional High School Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Shore Regional High School Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

The Honorable President and  
Members of the Board of Education  
Shore Regional High School District  
County of Monmouth  
Page 3

This report is intended solely for the information and use of management, the Shore Regional High School Board of Education, others within the entity, the New Jersey State Department of Education, and federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'R. Allison', is written over a horizontal line.

Robert W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

August 21, 2012

SHORE REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2012

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2011	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012	
											(Accounts Receivable)	Deferred Revenue Due To Grantor
84.410A	U.S. Department of Education: General Fund: Education Jobs Fund	N/A	26,877.00	08/10/10 08/30/12				\$ (26,877.00)			\$ (26,877.00)	
	Total General Fund							(26,877.00)			(26,877.00)	
	Special Revenue Fund											
	U.S. Department of Education: Passed-Through State Department of Education: Special Revenue Fund:											
84.010A	Title I - Part A - Improving Teacher Quality State Grants	NCLB476012	\$ 47,739.00	09/01/11 08/31/12			\$ 538.00	(11,682.53)			(11,144.53)	
84.010A	Title I - Part A - Improving Teacher Quality State Grants	NCLB476011	22,390.00	09/01/10 08/31/11	\$ (22,390.00)		22,390.00					
84.367A	Title II - Part A - Improving Teacher Quality State Grants	NCLB476012	15,419.00	09/01/11 08/31/12			7,460.00	(8,941.69)			(1,451.69)	
84.367A	Title II - Part A - Improving Teacher Quality State Grants	NCLB476011	29,192.00	09/01/10 08/31/11	(10,955.00)	\$ 7,361.63	10,955.00					\$ 7,361.63
84.367A	Title II - Part A - Improving Teacher Quality - Carryover	NCLB476009	16,174.00	09/01/08 08/31/09	(5,274.86)						(5,274.86)	
84.367A	Title II - Part A - Improving Teacher Quality State Grants	NCLB476008	16,789.00	09/01/07 08/31/08	7,361.63	(7,361.63)						
84.318X	Title II - Part D - Enhancing Education	NCLB476011	52.00	09/01/10 08/31/11	(52.00)		52.00					
84.298A	Title V - Innovative Education Programs	NCLB476008	840.00	09/01/07 08/31/08	840.00						(14,489.91)	840.00
84.391	I.D.E.A. Part B, Basic	IDEA476012	147,166.00	09/01/11 08/31/12		3,313.26	14,402.00	(32,205.17)				
84.027	I.D.E.A. Part B, Basic	IDEA476011	139,338.00	09/01/10 08/31/11	(20,369.74)	(3,313.26)	23,683.00				(32,360.99)	8,201.63
	Total U.S. Department of Education				\$ (50,839.97)	\$ 0.00	\$ 79,510.00	(52,829.39)	\$ 0.00	\$ 0.00	\$ (59,237.99)	\$ 8,201.63
	Total Federal Financial Awards											\$ 0.00



SHORE REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the fiscal year ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011		Due To Grantor	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at June 30, 2012		Memo	
			From	To	Deferred Revenues/ (Accounts Receivable)	Deferred Revenue							(Accounts Receivable)	Due To Grantor		
General Fund:																
Reimbursement of Nonpublic Transportation	12103190	10,568.40	07/01/11	06/30/12						\$ (10,568.40)			\$		\$ 10,568.40	
Reimbursement of Nonpublic Transportation	11103190	9,808.09	07/01/10	06/30/11	\$ (9,808.09)			\$ 9,808.09							9,808.09	
Categorical Special Education Aid	12-495-034-5120-089	340,154.00	07/01/11	06/30/12				340,154.00	(340,154.00)				\$ 32,242.00		340,154.00	
Extraordinary Aid	12-100-034-5120-473	278,800.00	07/01/11	06/30/12					(278,800.00)						278,800.00	
Extraordinary Aid	11-100-034-5120-473	292,266.00	07/01/10	06/30/11	(292,266.00)			292,266.00							292,266.00	
On-Behalf TPAF Pension System Contribution	12-495-034-5095-006	152,309.00	07/01/11	06/30/12				152,309.00	(152,309.00)						152,309.00	
On-Behalf TPAF Pension System Contribution - NCGI	12-495-034-5095-007	16,345.00	07/01/11	06/30/12				16,345.00	(16,345.00)						16,345.00	
On-Behalf TPAF Pension System Contribution - Post Retirement Medical	12-495-034-5095-001	339,036.00	07/01/11	06/30/12				339,036.00	(339,036.00)						339,036.00	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	367,015.23	07/01/11	06/30/12				367,015.23	(367,015.23)						367,015.23	
Total General Fund					(302,074.09)			1,516,933.32	(1,504,227.63)				32,242.00		1,806,301.72	
Special Revenue Fund:																
N.J. Nonpublic Auxiliary Services Aid:																
Compensatory Education	12-100-034-5120-067	9,299.00	07/01/11	06/30/12				9,299.00					\$ 9,299.00			
Home Instruction	12-100-034-5120-067	572.94	07/01/11	06/30/12					(572.94)						572.94	
E. S. L.	12-100-034-5120-067															
N.J. Nonpublic Handicapped Aid:																
Examination and Classification	12-100-034-5120-066	9,339.00	07/01/11	06/30/12				9,339.00	(9,016.25)					322.75	9,016.25	
Corrective Speech	12-100-034-5120-066	790.00	07/01/11	06/30/12				790.00	(790.00)						790.00	
Supplementary Instruction	12-100-034-5120-066	4,560.00	07/01/11	06/30/12					(4,560.00)						4,560.00	
N.J. Nonpublic Textbook Aid	12-100-034-5120-064	2,493.00	07/01/11	06/30/12				2,493.00	(2,450.02)					42.98	2,450.02	
N.J. Nonpublic Textbook Aid	11-100-034-5120-064	2,217.00	07/01/10	06/30/11		\$ 45.27				\$ (45.27)					2,171.73	
N.J. Nonpublic Nursing Services Aid	12-100-034-5120-070	3,561.00	07/01/11	06/30/12				3,561.00	(3,559.93)					1.07	3,559.93	
Total Special Revenue Fund						45.27		30,042.00	(20,949.14)		(45.27)			9,665.80	23,120.87	
Debt Service Fund:																
Debt Service Aid Type II	11-495-034-5120-075	446,896.00	07/01/09	06/30/10												
Total Debt Service Fund																
Total State Financial Assistance					\$ (302,074.09)	\$ 45.27	\$ 0.00	\$ 1,546,975.32	\$ (1,525,176.77)	\$ (45.27)	\$ 0.00	\$ 0.00	\$ 9,665.80	\$ 32,242.00	\$ 1,829,422.59	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

SHORE REGIONAL HIGH SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2012

1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education ("Board") of Shore Regional High School District ("District"). The Board is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

2. Basis of Accounting

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules ("RSI") are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year whereas, for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying Schedules on the modified accrual basis, with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the State deferral and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(29,866) for the General Fund and \$(5,900.35) for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

## SHORE REGIONAL HIGH SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2012

3. Relationship to Basic Financial Statements (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 26,877.00	\$ 1,474,361.63	\$ 1,501,238.63
Special Revenue Fund	46,929.04	20,949.14	67,878.18
Debt Service Fund	<u>0.00</u>	<u>704,685.00</u>	<u>704,685.00</u>
Total Awards and Financial Assistance	<u>\$ 73,806.14</u>	<u>\$ 2,199,995.77</u>	<u>\$ 2,273,801.81</u>

During the year ended June 30, 2012, the State of New Jersey contributed \$152,309 to the Teachers' Pension and Annuity Fund for normal costs, \$16,345 for NCGI premiums and \$339,036 for post-retirement medical benefits on behalf of the District.

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying Schedules agree with the amounts reported in the related federal and state financial reports.

5. Federal and State Loans Outstanding

Not applicable.

6. Other

Revenue and expenditures reported under the Food Distribution Program represent current-year value received and current-year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2012.

## Financial Statements

## State Awards

Special Education Categorical Aid

SHORE REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)

Section II - Financial Statement Findings

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

None reported.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)

Section III - State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by NJOMB Circular 04-04.

None reported.

SHORE REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

This section identifies the status of prior-year findings related to the general-purpose financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, and NJOMB Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

Not applicable.